




2007 • 2008
Annual Report



UNIVERSITY OF
SASKATCHEWAN



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Where Great Minds Meet

Great minds meet in the middle of the Canadian prairie where, for over 100 years, the University of Saskatchewan (U of S) has devoted its significant talents and resources to excellence in teaching, learning, discovery and service.

Inspired by the vision of its founders, who in 1907 established a university in a province barely two years old, the University of Saskatchewan understands that knowledge is currency in today's world. Over the years, its program offerings have steadily expanded to meet the needs of the local, provincial and national community. Today, the university is comprised of 13 academic colleges as well as three interdisciplinary graduate schools, making it a contender as one of Canada's leading medical doctoral institutions.

The University of Saskatchewan currently offers 58 degrees, diplomas and certificates in over 100 areas of study. Some 19,500 undergraduate and graduate students make the U of S their post-secondary institution of choice each year, and active recruitment efforts continue to draw the best and brightest from across the country and around the world.

► INTRODUCTION

Toward an Engaged University

A milestone event in the life of an institution offers myriad opportunities to reflect on original purpose and admire past accomplishments. It can also be a time to consider future directions and new priorities. This is the case at the University of Saskatchewan.

Having wrapped up a year-long celebration of its 100th anniversary in 2007, the University of Saskatchewan is moving into its second century with determination and an invigorated sense of purpose. Attentive to the characteristics that will define the institution in the coming years—academic pre-eminence, international standards and a sense of place—the university is putting the finishing touches on initiatives that flowed from its first integrated plan. At the same time, work is underway building a solid foundation for its second plan.

This is a time of transition, when the capacity developed during the first planning cycle is put to use meeting new objectives. The University of Saskatchewan has committed itself to well-defined themes to influence its activities and choices over the next four years. Whether by creating stronger connections between learning and discovery, accommodating interdisciplinary scholarship or establishing more transparent governance structures, the university is deliberately moving toward being more engaged.

Four Years of Exciting Change Lie Ahead.

There were many other notable transitions at the University of Saskatchewan in 2007-08. Some took place at the administrative level, such as the announcement of a new provost and vice-president academic. On the academic side, the renaming of two colleges and establishment of three graduate schools is an overt sign of the robust curricular and programming advances being made across campus.

Led by University Advancement and supported by alumni, employees and friends of the institution, the *Thinking the World of our Future* capital campaign proved to be more successful than ever expected. The university has now begun the shift from *campaign* to *campaigning*, building on existing relationships with supporters and cultivating new ones.

Across campus, signs of change are everywhere. In what may be the most significant building program in its history, some 83 projects, both large and small, have been completed, planned or are progressing since 2000. Some of the most significant are underway today.

Perimeter grade beams and stair towers rise above the site where InterVac scientists will soon dedicate themselves to developing vaccines for existing and emerging human and animal pathogens. Two major renovation and expansion projects, at the College of Law and the Western College of Veterinary Medicine, have created, and will continue to create, important student, teaching and research space.

But while the transition from one era to another—from one integrated plan to a second—marches on, there is no denying the past. It is to the vision of the University of Saskatchewan founders that we look for a sense of how far we have come, and for what we can yet achieve.



From Planning to Action

The University of Loughborough is moving out of its first five-year planning cycle and into its second. Many of the initiatives identified in the ambitious First Inspired Plan have come to fruition; others continue to be developed. We need to build the capacity the university needs to achieve its strategic objectives: academic pre-eminence, international standards and a sense of place.

► LEADERSHIP



Making Connections

Q & A with Vera Pezer, Chancellor

Q: What are you most looking forward to in your new role as Chancellor?

A: Most of my previous work on campus, as associate vice-president of student affairs, counselling students and as an instructor, brought me in very close contact with students in one way or another. Now, being able to confer degrees seems like a wonderful culmination of that work.

Q: Do you have any plans to expand the traditional duties of the Chancellor?

A: My intention is to help the university to build strong connections with important stakeholders, particularly alumni. I was chairman of alumni and had very strong relationships with alumni representing their interests both on and off campus. One of the activities I've initiated is a series of educational and recreational tours that bring together some of our outstanding faculty with alumni who have particular interests—history, architecture, even sports. My goal is to find more opportunities to bring various groups together.

Q: How are you going to connect with stakeholder groups not directly associated with the U of S?

A: Whenever I go, I'm a proud ambassador for our university so I try to make connections every day. And in a more structured way, the Senate Round Table on Outreach and Engagement really opens the door for meaningful exchanges between the University of Saskatchewan and various groups.

Q: What do you hope to accomplish in your three-year term?

A: Given my past involvement with students, I'd welcome the chance to get involved with initiatives connected to the student experience in some way. Of particular interest to me would be activities related to student retention or fundraising for scholarships.

Q: What do you think are some of the most exciting things the university has to look forward to in its current context?

A: I think we will become more globally involved. With technology and trends in education, it won't be long before we see University of Saskatchewan degrees being awarded in China, for example, with virtual U of S campuses around the world. The U of S began with the intention of meeting the needs of Saskatchewan people, but I think we are going to become much more relevant to the wider world.



The New Transparency

Q & A with Art Dumont, Chair, Board of Governors

Q: There seems to be a growing interest in boards being more transparent in the work they do. What changes have been made by the U of S board to meet this need?

A: We've spent a lot of time, as a group, discussing transparency and accountability concepts that are critical to our ability to do our job. We now hold a meeting with the public, once a year, which gives people the chance to better understand the role of the Board and to ask us questions directly. We have also made room in each of our meeting agendas for presentations from individuals and representatives of interest groups.

Q: How do these changes make a difference?

A: As Board members, the meetings with the public have given us a first-hand look at the concerns and issues that are out there, and what people expect from their Board. We really appreciate the chance to hear directly from employees and students. I also think we're more successful in explaining our mandate, how we operate, and our limitations as a governing body.

Q: A university is an exceedingly complex organization. How does the Board of Governors manage its role within that structure?

A: The university is a very complex organization and I think it's fair to say our job is helped on two fronts. First, we rely heavily on a tremendous group of senior administrators, from the president on down, to keep us informed in an objective and balanced way. We're also seeing very tangible benefits from our alignment with our own planning process. To be able to assess the impact of our decisions on the short-term, the medium-term and the long-term is quite a well-structured plan that brings advantages to the Board and the organization as a whole.

Q: How within a planning process in place, are there particular challenges you are faced with now?

A: Naturally when you ask people to plan, the need is to think long and hard about things. I would like to see a lot more forward thinking. The three or five most universities are "winning" exceed our current resources. That said, we're excited very much about building our relationship with the provincial government, because they are a critical resource partner for us as we work toward improving student education, the student experience and our Saskatchewan-based research capacity.



Facing the Challenge

Q & A with Peter MacKinnon, President

- Q:** You were very busy during 2007 with the university's centenary. Was it a successful celebration?
- A:** The centennial year was both an enormous success and an important event in our history. The entire year was spent not only looking back to the founders of the university and their undeniable belief in the ability of the people of this province to create a world-class institution, but also toward where the original vision will carry us into the second century.
- Q:** Another great success was the Thinking the World of our Future capital campaign. What has this meant to the university?
- A:** The \$53 million raised by the campaign creates an important building fund for the second century, and beyond. The building fund is a part of which I'm proud to say that the University of Saskatchewan, will support many specific teaching, learning and research goals that are key to our strategy plan. One important though, is the \$53 million raised during the campaign is directed toward student world-class initiatives.
- Q:** Will the initiative that flows from the capital campaign improve the position of the University of Saskatchewan on the national stage?
- A:** There is no question in my mind that the highly competitive post-secondary sector in this country, being able to

offer more scholarships and bursary incentives will make this institution both attractive and accessible to top calibre students. At the same time, being able to move forward with research and teaching initiatives will augment our faculty recruitment efforts. These changes will certainly give us the edge we need.

Q: What issues keep you awake at night?

A: As I've said many times, growing our enrolment is what keeps me awake. The demographics show we will have to work harder to attract undergraduate and grad students, not only from Canada but also from other countries. And we are deeply committed to providing programming that supports and engages the growing Aboriginal segment of our population.

Q: How will the university meet these challenges?

A: I believe we are well on our way. The University of Saskatchewan has been through a planning process that defined very clearly our priorities for the next four years, including those related to recruitment of both students and faculty and performance at all levels of the organization. I believe we will move into the implementation of that plan with the support of the entire campus community, with everyone engaged in the process and committed to its success.



Expanding Interdisciplinary Programing

The need to enhance the level of graduate student education at the University of Saskatchewan has led to the establishment of three interdisciplinary schools. The School of Public Health, the School of Environment and Sustainability and the Johnson-Shoyama School of Public Policy (a unique joint venture with the University of Regina) are appointing faculty, finalizing curriculum and recruiting students in preparation for a new era in graduate student education.



Enhancing the Student Experience

The new University Learning Centre, which continues to take shape in the Murray Library, is a multi-faceted entity committed to providing specific programs and services to support learners and teachers, promoting and sharing methods for student and teacher success, and conducting research.

U of S in the News

May 2007

Balancing the university's openness and accessibility with the security needs of the community was one of the objectives set for an institution-wide review of safety protocols. Led by the office of the vice-president of finance and resources, the review addressed the broad range of situations that might affect campus, from break-ins to tornados in the Bowl, and everything in between.



July 2007

What was the College of Commerce became the N. Murray Edwards School of Business at the University of Saskatchewan, thanks to an \$11 million gift from N. Murray Edwards, a U of S graduate and successful Calgary businessman. The Edwards gift supports faculty and student recruitment and retention as well as a new emphasis on entrepreneurship.

August 2007

The university's efforts at reducing waste continue with the work of Kelly Goyer. The waste prevention co-ordinator in the Facilities Management Division believes the campus can be largely waste-free in 10 years. His plans include a waste audit in selected buildings and ultimately, to be successful enough to put himself out of a job.



September 2007

A major shuffle of offices received approval as the university continues to contend with a shortage of academic space. As part of the Core Area Revitalization Plan, some administrative units are set to move to a new building at Innovation Place, and Kirk Hall, which opened in 1947, will get a major retrofit.



October 2007

CBC comedy star Rick Mercer made a visit to campus Oct. 30 to film a segment for his hit TV show, the *Rick Mercer Report*. He took on the Huskies wrestling team, participated in a drawing class and raced around campus against the Formula SAE team while driving a quarter-scale tractor.



June 2007: Congress

The University of Saskatchewan greeted around 6,000 delegates to the largest multi-disciplinary gathering of scholars in North America, the Congress of the Humanities and Social Sciences. The eight-day event brought together some of the world's most influential voices from more than 70 disciplines and scholarly associations. Media coverage was unprecedented, with a special supplement in *Le Devoir* and daily articles in *The National Post*, *The Globe and Mail* as well as local media highlighting some of the innovative and ground-breaking research presented on the University of Saskatchewan's campus.

❖ *Congress delegates browse through a massive array of publications at the book fair. About 70 academic publishers were present.*



September 2007: Homecoming, the Event of the Century

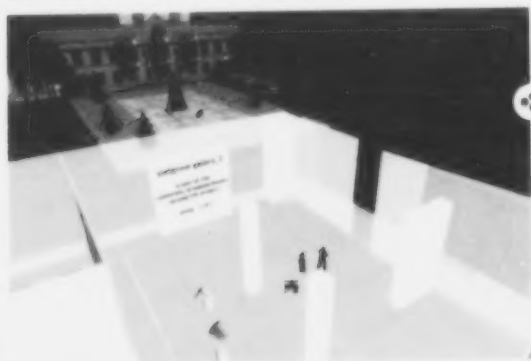
It was a great finish to a great year as hundreds of students, staff, faculty, alumni and friends of the University of Saskatchewan gathered Sept. 14 – 16 for Homecoming 2007, the last major event in the centennial celebration. A golf tournament to raise funds for student scholarships, an alumni social, an outdoor cabaret, a dinner and dance hosted by President Peter MacKinnon, and a football game, complete with tailgate party, were among the activities that took place over three days.

❖ *President Peter MacKinnon addresses attendees of the Homecoming Gala Dinner and Dance. In the foreground is a time capsule, which will be opened on the university's 125th birthday.*

2007 - 2008 YEAR IN REVIEW

November 2007

For most of November, members of CUPE local 1975 at both the University of Saskatchewan and the University of Regina walked picket lines to protest the lack of progress in contract negotiations. The employees, including food service, custodial, maintenance and administrative personnel, returned to work Dec. 3 after reaching a tentative agreement with the universities.



January 2008

A virtual university has taken shape in a vibrant, three-dimensional online world. The College Building, the Gordon Snelgrove Gallery and a number of other campus features have been recreated for interactive use on the popular multiplayer application *Second Life*. The U of S is anticipating initiatives such as gathering students in virtual classrooms for lectures by real professors.

February 2008

A 1998 Vanier Cup football, several CDs created by the Department of Music and a solar-powered toothbrush designed in the College of Dentistry are among the items sealed up in a time capsule that will not be opened for 25 years. The artifacts were collected during and after the university's centennial year and include a letter from President Peter MacKinnon to the university president of the year 2032.

March 2008

The College of Law held the grand opening of its renovated, expanded and sustainable building, including special space for the Native Law Centre. The collaborative approach taken to the centre's design led to careful choices in everything from building materials to paint colours. The result is an attractive space that reflects aboriginal values within the new college building.

April 2008

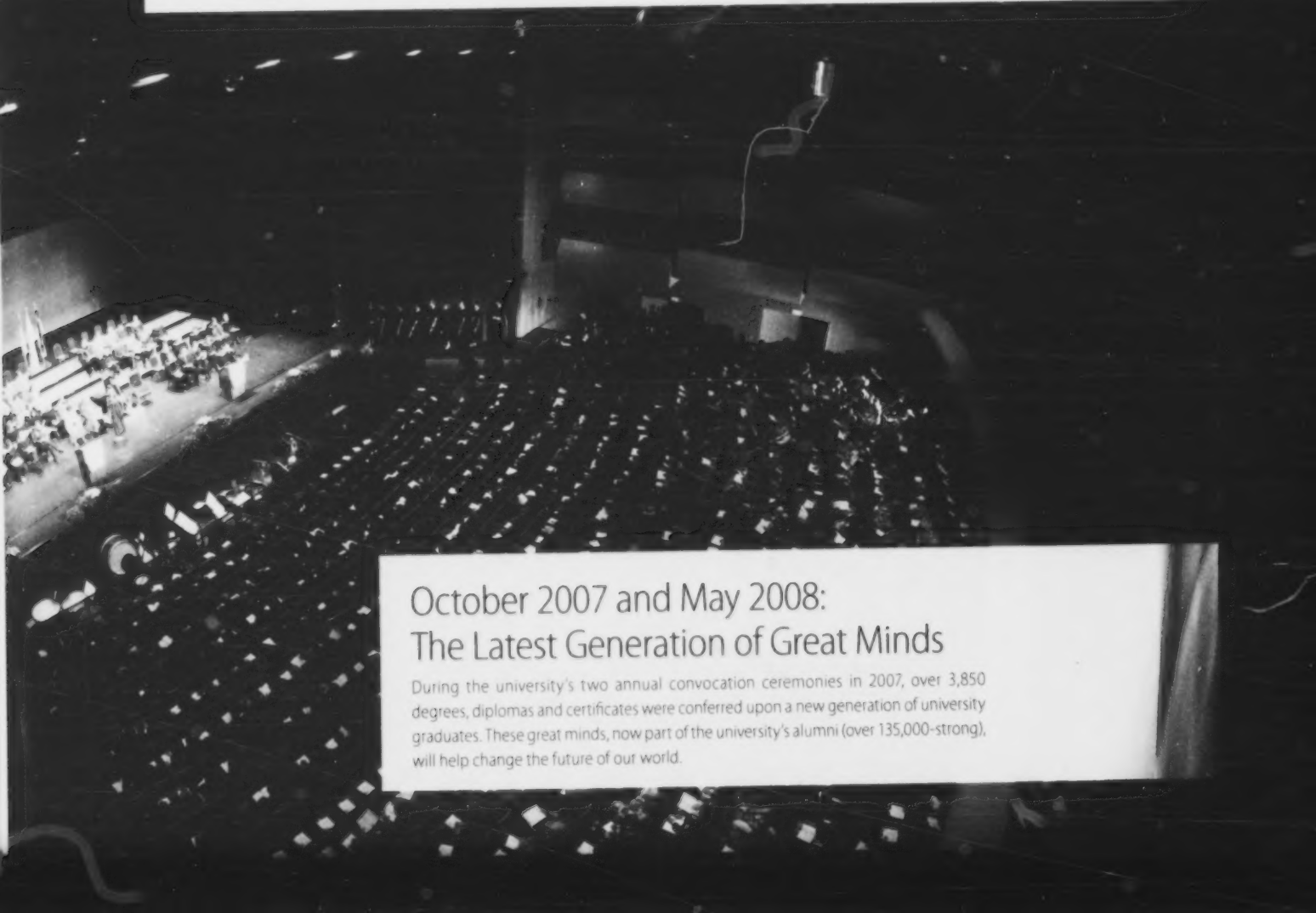
In an effort to improve service to students and employees, a major reorganization of food services was initiated. The \$7 million per year operation, which includes nine food outlets, Marquis Hall and about 150 university staff, will get an overhaul, with particular attention paid to the needs of residence students. Everything from the food inventory system to the dining environment to food presentation will be assessed and revamped.





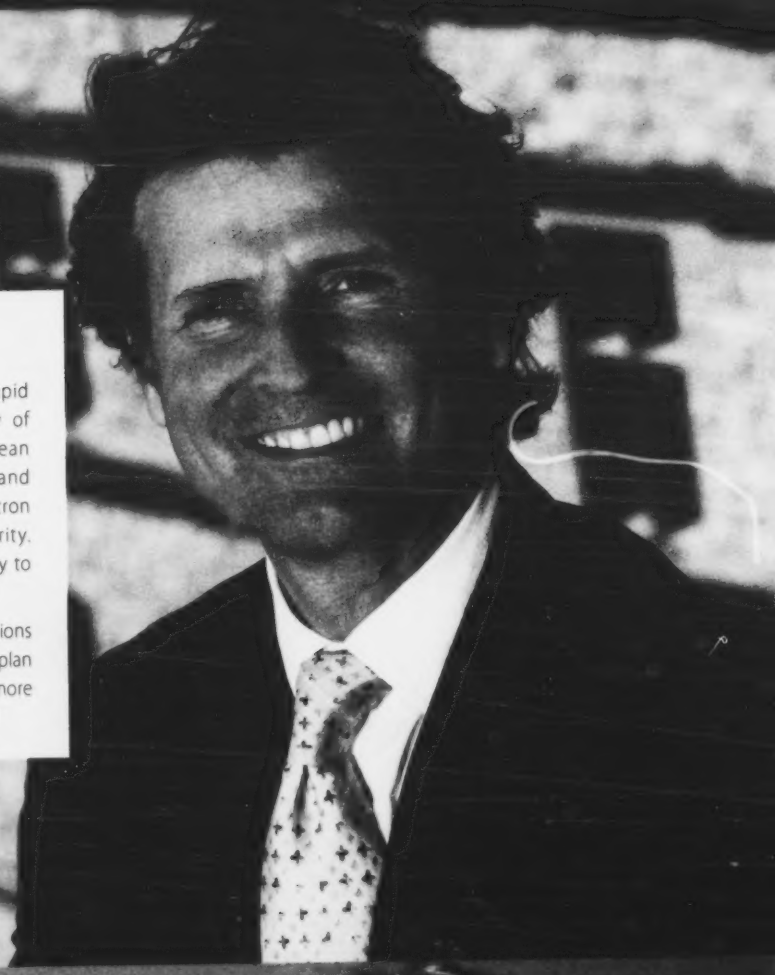
November 2007: A Change of Academic Leadership

In November 2007, the university announced Brett Fairbairn, former head of the Department of History and chair of University Council, would take on a new role—that of the university's provost and vice-president academic. A U of S alumnus and a Rhodes Scholar, Fairbairn will be the senior academic, planning, and budget officer at the University of Saskatchewan. Ernie Barber, who previously held the position in an acting capacity, will continue to focus on enhancing teaching, learning and student experience in his new role as the university's first vice-provost of teaching and learning.



October 2007 and May 2008: The Latest Generation of Great Minds


During the university's two annual convocation ceremonies in 2007, over 3,850 degrees, diplomas and certificates were conferred upon a new generation of university graduates. These great minds, now part of the university's alumni (over 135,000-strong), will help change the future of our world.

A black and white portrait of Janusz Kozinski, a man with dark, wavy hair, smiling. He is wearing a dark suit jacket, a white shirt, and a patterned tie. The background is slightly blurred, showing what appears to be a building structure.

A Flair for Engineering

The discipline of engineering is witnessing a period of rapid progress, and Janusz Kozinski is determined the University of Saskatchewan will lead the way. Kozinski, the new dean of Engineering, believes the broad range of colleges and outstanding facilities like the Canadian Light Source synchrotron will give the U of S an edge: "I believe in multi-disciplinarity. I believe in collaborating with other people. That's the only way to move forward."


The former associate vice-principal of research and international relations at McGill University, Kozinski and his colleagues are building a master plan for the College of Engineering, which includes the recruitment of more women and showing "that undergraduate research is our standard."

A black and white portrait of Lorna Butler, a woman with short, dark hair and glasses. She is wearing a dark jacket over a light-colored turtleneck sweater and a necklace with a large pendant. The background is dark and out of focus.

Finding a Place

Lorna Butler decided the position of dean in the College of Nursing was the job for her after she read *Renewing the Dream*, the university's strategic directions. "I thought if this is really true, if this university does in fact live the dream, then that's the place for me."

Butler came to Saskatoon from Halifax where she was a professor in both the School of Nursing at Dalhousie University and Department of Urology at the Queen Elizabeth II Health Sciences Centre. She brings a commitment to maintaining strong links between education, research and clinical practice, and to being a familiar face across the province. "I want to be a dean who has credibility in the community."



A Measure of Success

Added to the growing number of Canada Research Chairs allocated to the University of Saskatchewan are three special appointments under the new U of S Chairs Program. Each of the new interdisciplinary schools will be home to a Centennial Chair established to respond to university and provincial priorities. According to Vice-President Research Steven Franklin, chairs are one of the most powerful ways to reflect the university's aspirations in research and teaching. "They are helpful in efforts to recruit and retain faculty, build outstanding scholarship, and enhance the student learning experience."

✶ **Vice-President (Research) Steven Franklin**



Mapping Research Strength and Promise

Following a three-year, university-wide consultation process, the *Extending Horizons: University of Saskatchewan Research, Scholarly and Artistic Landscape* document was presented to University Council in the spring of 2007. The document identifies five thematic areas on which to build and celebrate: culture and society; indigenous peoples; frontiers of science and technology; human and animal health; and environment, resources and sustainability. As a living document, *Extending Horizons* will be continually reviewed and updated to reflect new achievements, collaborations, and areas of strength and emerging strength that will advance the university's impact on society and its success nationally and internationally.

Financial Policies

The university's audited financial statements are prepared in accordance with generally accepted accounting principles, or GAAP, as set out by the Canadian Institute of Chartered Accountants, and also follow the requirements for not-for-profit organizations.

The university uses the restricted fund method of accounting for contributions. Under that method, separate funds are established for specified activities or objectives, and each fund is comprised of its own assets, liabilities, revenues and expenses. Fund accounting enhances accountability and budgetary control of resources by ensuring that restricted grants and contributions are spent only for the purposes intended.

The method of accounting can have significant implications for how annual revenue is recorded. In accordance with the restricted fund method for revenue recognition, contributions are recognized in advance as agreements are signed, or as annual grants are awarded. If these agreements are recorded in the General Fund, externally restricted revenue is deferred and recognized in the year in which related expenses are incurred.

Fund Description

General Funds: General Funds are unrestricted and include the university's program delivery, service and administrative activities. They are further classified as Operating and Ancillary Funds.

Restricted Funds: Restricted Funds carry restrictions on the use of resources for particular defined purposes and include the Capital, Research and Student Financial Aid Funds.

Endowment Funds: Endowment Funds account for resources received with the stipulation that the original contribution not be spent. The fund also consists of a portion of the investment income earned on these contributions that is required by donors and the Board of Governors to be added to the fund to offset the eroding effect of inflation.

With the exception of the Operating and Ancillary Funds, all fund revenues are restricted in their use. These restrictions could be through objectives specified by donors, limitations and restrictions imposed by sources outside the university or determinations made by the Board of Governors.

Another significant characteristic of the university's financial statement presentation is in what is typically called "net assets." There are five categories of net assets (fund balance): unrestricted operating; internally restricted; externally restricted; endowment; and invested in capital.

U of S Consolidated Fund Structure

General Fund	Restricted Fund	Endowment Fund
Operating Fund	Student Financial Aid Fund	Permanent Endowments e.g., Listwin chair, Edwards' Scholarship and Program Endowment
Faculty salaries	Scholarship support	Term Limited term funds e.g., Kenderdine-Beamish fund
Utilities	Research Fund	Internally Restricted e.g., Centennial Chairs
Support and admin costs	Tri-Council funding	
Pension and benefit plans	Provincial research funding	
Subsidiaries	Sponsored research	
Ancillary Fund	Capital Fund	
Book Store	Capital Assets	
Food Services	Major renovations	
Residences	Improvements to capital	
Real estate activity		
Sales of utilities		

An overview of the university's fund structure with major activities or categories identified within each fund type.

From 'Off the Shelf' to Online

In the University Library, electronic resources are increasingly being used to supplement, or even replace, printed books and periodicals, highlighting the changing nature of academic research.


Today, library users have access to over 35,000 full text electronic journals along with numerous other publications and databases. There are also millions of electronic resources available to U of S faculty and students from other libraries and organizations.



A Unique Development

The university has found creative ways to generate revenue from one of the university's greatest physical assets—its land. The Preston Crossing retail development, built on some of the university's urban land, involves a leasing arrangement with Harvard Developments Inc. of Regina that generates over \$1 million each year for student scholarships.





Science, Technology and Society

The Canadian Light Source (CLS) is a critical tool for Canadian research and development, in such crucial sectors as environmental science, natural resources and energy, health and life sciences, and information and communications technology. Research done at the CLS holds the promise of improving the quality of life for people everywhere.



Consolidation of Affiliates

The University of Saskatchewan's consolidated financial statements include the activities of all entities or businesses that are effectively controlled by the university.

Agricoll Research Investments Inc.

Through Agricoll, the University of Saskatchewan promotes and participates in research, education and technology transfer related to the agriculture industry.

Agrivita Canada Inc.

This company promotes research, training and service initiatives in various disciplines for purposes related to agricultural health and safety.

Canadian Light Source Inc.

The company's mandate is to advance Canadian scientific and industrial capabilities in synchrotron science and technical applications. The company is responsible for the operation and conduct of all activities related to the university's synchrotron light facility, its operation and performance.

Prairie Swine Centre Inc.

A company engaged in research, education and technology transfer related to pork production in Canada.

Subsequent to their June 2007 year end, during the July 2007 to April 2008 period Prairie Swine Centre Inc. and its subsidiary PSC Elstow experienced losses common to entities associated with the hog market. The barn at PSC Elstow has been closed.

621602 Saskatchewan Ltd.

This company participates in real estate investment activities.


University of Saskatchewan Crown Foundation

The Foundation was created for the purpose of receiving gifts of real and personal property and to provide transfers of property to the University of Saskatchewan.

Strategic Planning

One of the supporting strategies for the four-year planning cycle is a focus on "financial resources", including the following commitment: *"The University of Saskatchewan will continue to strengthen its financial position and stewardship through sustainable budgeting, developing existing and new revenue streams, improving our control environment, enhancing transparency, and implementing a process for more effective resource allocation."*

As we transition to the next planning cycle, the university has set the groundwork to ensure that this commitment is achieved.



Enriching the Physical Environment

The University of Saskatchewan is sitting on the most valuable property in the city of Saskatoon and plans are being made for the future of what has become the institution's most valuable asset. A 50-year land use master plan will guide decisions on the use of the university 1,865 acres of urban land to ensure that use will benefit the entire university. The master plan will also mandate that the university maintain the highest level of quality and sustainability in any land development.

Analysis and Commentary

Total revenue for 2007/08 increased by \$41.3 million to \$710.6 million, growth of 6% over 2006/07. This magnitude of annual revenue places the university within the top 20 organizations in Saskatchewan, and among the top 20 largest universities in Canada.

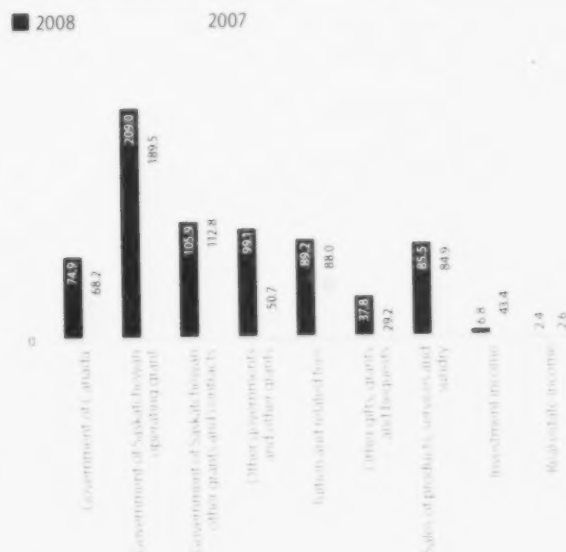
The university's ability to diversify its revenue base was aided by growth in gifts and bequests of \$8.6 million over the previous year, and growth in Government of Canada and other government and non-government grants of \$6.7 million and \$48.4 million respectively. There was also continued and sustaining growth in our provincial funding, which increased by \$12.6 million over the previous year.

These increases, which together totaled \$76.3 million, were offset in part by a \$36.3 million decrease in investment revenue compared to 2006/07 (see Investment Income, page 22).

Total Revenues

As at April 30, 2008 (\$ millions)

Total: \$710.6 million [2008], \$669.3 million [2007]



An overview of revenue by source compared to the previous year.

Revenue Sources

Government of Canada

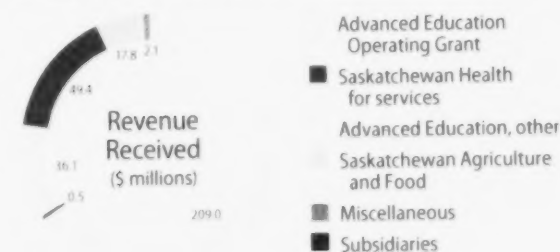
This revenue source increased in 2007-08, by \$6.7 million to \$74.9 million.

Government of Saskatchewan

Revenue from the province accounts for 44% or \$314.9 million of total revenue. Traditionally, provincial funding has comprised about 50% of total revenue, and revenue is provided by almost every provincial department as illustrated by the following graph.

Revenue Received from the Government of Saskatchewan

As at April 30, 2008 (Total \$314.9 million)



Advanced Education, Operating: About half of Government of Saskatchewan funding is provided to the university through the Ministry of Advanced Education, Employment and Labour. In 2007/08, operating grant funding from that ministry was \$209.0 million, up \$19.5 million from the previous year. That increase included an economic and tuition increase of 7.3%, or \$13.7 million, \$4.0 million in funding designated for initiatives to meet the accreditation requirements of the College of Medicine, and additional funding for more student spaces in both the medicine and nursing programs.

DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

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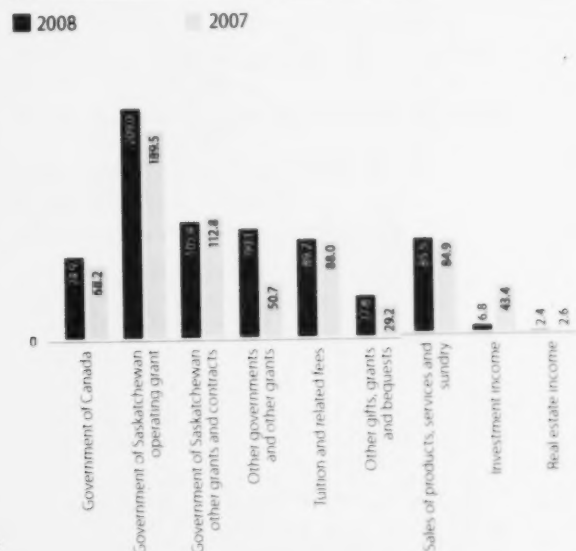
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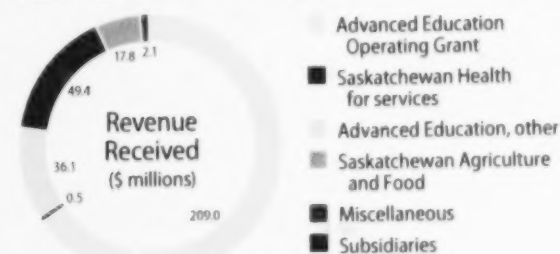
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From Campaign to Campaigning

The *Thinking the World of our Future* campaign has established a solid financial footing for the University of Saskatchewan as the institution enters its second century. Launched in 2002, the campaign set a \$100 million fundraising target, the most ambitious goal in Saskatchewan's history. Just over five years later, the campaign achieved an almost unimaginable total: \$150 million. Alumni were the largest group of contributors, making up 72 per cent of the almost 30,000 donations. Friends of the university accounted for 15 per cent of donations, the campus community for six per cent and seven per cent came from organizations and businesses. For the university, the campaign funds mean over 500 new student awards, faculty chairs in virtually every college, program enhancements, capital projects and enhanced facilities, among other benefits. And while the official campaign is over, the university will continue to make a case for support, continue to find new support and continue to report its progress.

• **Above:**

David Sutherland speaks at the Thinking the World of our Future campaign wrap-up event in February.

• **Below:**

Vice-President (University Advancement) Heather Magotiaux



DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

Advanced Education, Other Grants: Other grants from the Ministry of Advanced Education, Employment and Labour amounted to \$36.1 million and included capital grants of \$16.0 million as well as \$15.5 million in matching funds for CFI projects along with \$2.5 million in operating cost support for the Vaccine and Infectious Disease Organization (VIDO).

Other Government and Other Grants

The increase of \$48.4 million from other government and other grant sources is due primarily to an increase in Canadian Foundation for Innovation (CFI) funding for major capital projects including InterVac and the Canadian Light Source (CLS) facility and beamline expansion.

This financial result is evidence of the university's incredible success on CFI applications; we are currently ranked nationally among the top ten universities in terms of CFI funding. The institutional commitment to intensifying research efforts is also illustrated by the government grant funding identified for almost all colleges at the university (reference Schedule 3, page 56).

Gifts, Grants and Bequests

Significant donations during the year included support for our major building projects from Potash Corporation of Saskatchewan (\$1.0 million for Griffiths Stadium at Potash Corp Park) and the Law Foundation of Saskatchewan (\$1.0 million for the Law Building). In addition, the Law Foundation provided \$0.5 million for the College of Law Endowment supporting various activities. Colleges received gifts and bequests for program development and financial support for students from the Estate of Russell William Haid \$1.2 million (College of Engineering), George La Borde \$1.0 million (College of Engineering), David Sutherland \$1.2 million (College of Law and the Edwards School of Business) and Cameco Corporation \$1.1 million (numerous Colleges). A significant donation of \$1.0 million in support of research was provided by the Krembil Foundation. In the current year the university recognized the largest individual gift in its history, \$11 million from N. Murray Edwards, of which \$10 million was received in the current year as an endowment in support of programs and scholarships at the Edwards School of Business.

Investment Income

The investment income decrease from \$43.4 million in 2006/07 to the current year's \$6.8 million is the result of a decrease in long term pool earnings. The long-term pool saw a net loss of 4.2% for the 2008 fiscal year compared to a 12.1% return in the previous year. The university's long-term investments are valued at market and influenced by market trends, and over the longer term, compare favourably with those of other universities. Long-term

investments are held primarily in two pools (Long Term Pool and Fixed Income Pool) managed by professional investment managers outside the university. The pool investment funds were \$554.4 million at April 30, 2008.

Student Fees

Student fee revenue has remained relatively constant at about \$89 million reflecting stable enrolments and the fact that the university has held tuition rates at the same level since 2004/05. The university was able to hold rates constant because the province has been providing additional funding to compensate for the revenue loss. Tuition revenue for 2007/08 comprises 25% of Operating Budget revenue (decreasing from a high of 30% in 2004/05).

Sales of Services and Products

In total, this revenue source accounted for \$79.8 million in 2007/08, about 11% of total revenue. The Total Revenues chart on page 20 also includes Miscellaneous Income of \$5.7 million for a total of \$85.5 million. Almost half of this revenue is recorded in the Ancillary Services Fund and includes: the sale of utilities to third parties (the university maintains a utilities infrastructure similar to that of a city the size of Prince Albert); real estate revenue, including lease revenue from the Preston Crossing development (in 2007/08, this operation provided an annual allocation of \$1.0 million for scholarship support; this allocation began in 2006/07); and Consumer Services activities which includes providing goods and services primarily to the campus community through food services, residences, bookstore, etc.

Ancillary Services Revenue

As at April 30, 2008 (\$ millions)

	2008	2007
Bookstore	\$ 11.49	\$ 11.62
Card Office	0.03	0.03
Food Services	5.58	5.81
Hospitality Services	0.28	0.23
Parking	3.31	3.09
Residence	4.30	4.04
Vending	0.02	0.03
Consumer Services	25.01	24.85
Real Estate	2.16	2.08
Utilities	10.15	10.35
Total Ancillary Services	\$ 37.32	\$ 37.28

Most of the remaining sales of services and products activity is recorded in the Operating Fund (\$43.7 million) and would include activity such as the sale of goods and services through the Clinical Practice Plan (fee-for-services billings for physicians).

DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

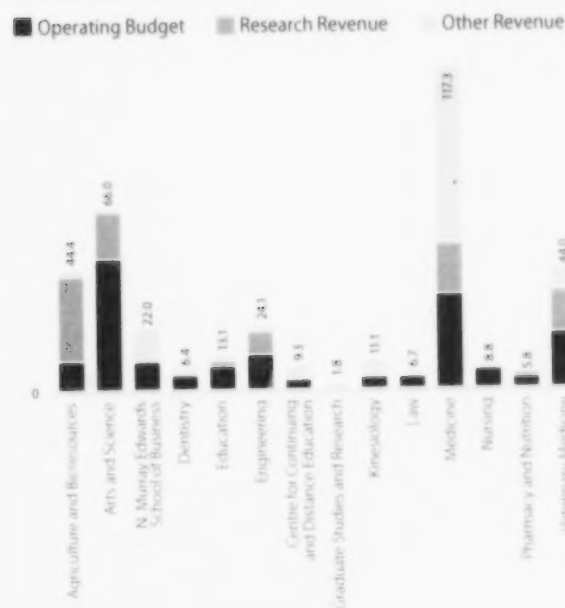
Revenue Summarized by College

University programs and initiatives are often focused at the college level. Revenues by type (e.g. operating, research, other) are shown in the graph below.

Revenues by College/Teaching Unit

As at April 30, 2008 (\$ millions)

Total \$380.8 million



An overview of revenue by College.

Of the total revenue reported for all colleges, the College of Medicine accounted for \$117.3 million for the year, or 31% of the total. This was followed by Arts and Science at \$66 million or 17% of the total, Agriculture and Bioresources at \$44 million or 12% of the total, and the Western College of Veterinary Medicine (WCVN) which had total revenue of \$44 million, 12% of total.

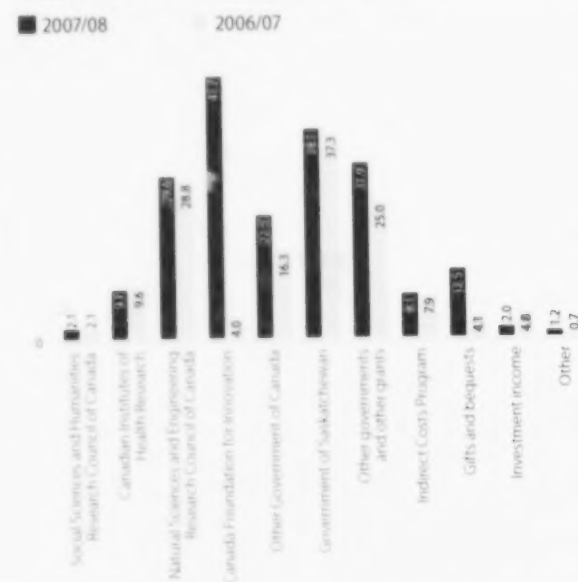
Research Revenue

University activity is also reviewed on a fund basis, and for 2007/08 total Research Fund revenue increased by \$64.2 million over the previous year to \$204.8 million. The following graph provides an overview of the components of Research Fund revenue with government funding (provincial and federal) comprising the majority of research funding.

Total Research Revenues

As at April 30, 2008 (\$ millions)

Total: \$204.8 million [2008], \$140.6 million [2007]



An overview of revenue by source compared to the previous year.

Revenue Summarized by College

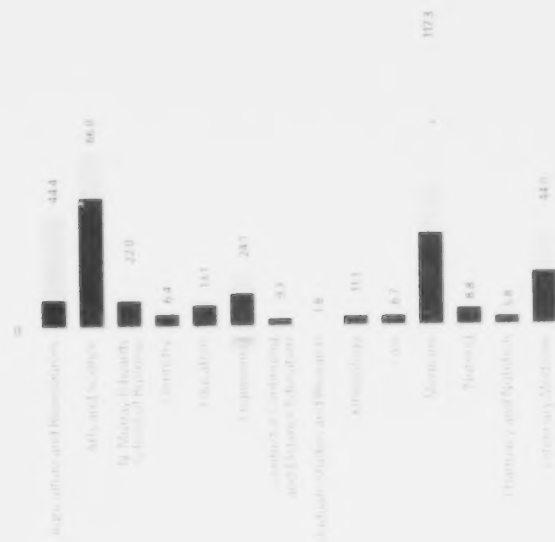
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Revenues by College/Teaching Unit

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Total \$380.8 million

■ Operating Budget ■ Research Revenue ■ Other Revenue



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Research Revenue

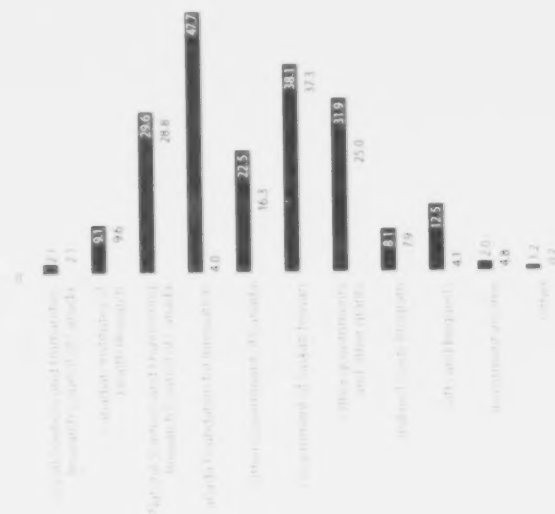
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Total Research Revenues

As at April 30, 2008 (\$ millions)

Total: \$204.8 million [2008], \$140.6 million [2007]

■ 2007/08 ■ 2006/07



An overview of revenue by source compared to the previous year.

Expenses (Deployment of Resources)

Total expenses in 2007-08 increased over the previous year by \$18.9 million, or 3.3%. This change is due in part to the change in the university's employee future benefits expense which decreased from \$15.6 million in 2007 to \$(0.3) million in 2008.

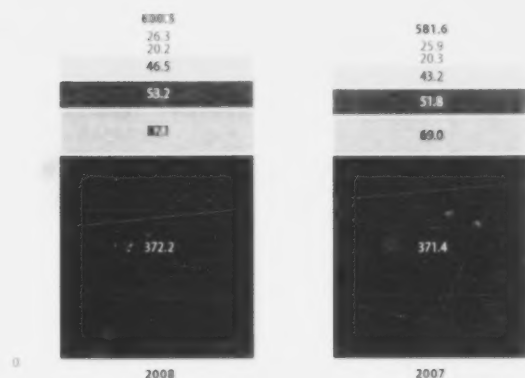
The university has defined contribution pension plans, defined benefit pension plans and a long-term disability plan. For the defined benefit plans, expenditures can fluctuate greatly depending on plan investment returns and changes in actuarial assumptions and experience. If the change in employee future benefit expenses is factored out of the total expense for both years, then total expense for 2007/08 would result in a 6.4% overall increase. This increase reflects escalation in salary and supply costs, as well as growth, particularly in research activity.

Expenses

As at April 30, 2008 (\$ millions)

Total: \$600.5 million (2008), \$581.6 million (2007)

- Salaries and benefits
- Operational supplies and expenses
- Utilities
- Amortization
- Scholarships, bursaries and prizes
- Cost of goods sold, maintenance, travel and other



An overview of significant expense components with comparative amounts for the prior year.

Salaries and benefits, as a percentage of the total in 2007-08, comprised the largest portion of our expenses at 62%, or \$372.2 million. This compensation expense is distributed between some 8,000 staff in five bargaining units and exempt staff as well as honoraria expenses, which are not included in staff totals.

Of the total compensation expense, salaries comprised \$339.9 million, and benefits \$32.3 million. Salary expense from year-to-year reflects the results of collective bargaining agreements for the period, staff turnover and changes in staffing levels. Recognizing the significance of compensation expense, the university takes into account market trends, cost-of-living and recruitment and retention needs when bargaining collective agreements.

In 2007/08, CUPE staff salary costs were reduced by a month-long CUPE strike which occurred in November. At year-end, all collective agreements were current, with the following agreements in effect:

- U of S Faculty Association (USFA):
July 1, 2005 – June 30, 2009 (ratified in May 2007)
- Administrative and Supervisory Personnel (ASPA):
May 1, 2005 – April 30, 2008 (ratified in June 2007)
- CUPE 1975 (support staff):
January 1, 2007 – December 31, 2009
(ratified in December 2007)
- CUPE 3287 (Sessional Lecturers):
May 1, 2005 – April 30, 2008 (ratified in May 2007)
- PAIRS (Interns and Residents):
January 1, 2006 – December 31, 2008
(ratified in February 2007)

Benefit plan costs of \$32.3 million (\$37.6 million, not including the pension valuation adjustment) have remained fairly consistent at about 11% of total salary cost.

Scholarship, Bursaries and Prizes

Expense for the year of \$26.3 million, which equals 4% of total expenses, was up \$0.4 million from the previous year, reflecting an increase in directed scholarship funding by the province and an increase in Huskie Athletic scholarships. About one-third of total scholarship support is for undergraduate students, covering about 15% of total undergraduate tuition.

Utilities

Total utilities expenses remained at about the same level as the previous year, primarily because of a 7% decrease in futures contracts. At \$20.2 million, utilities comprise a significant proportion of total expenses, with almost half of the expense related to sales to external customers, including sales to the Saskatoon Health Region.

Amortization

With the significant investment the university has made in capital assets in recent years, amortization expense increased by almost 3%, and accounted for 9% of total expenses.

DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

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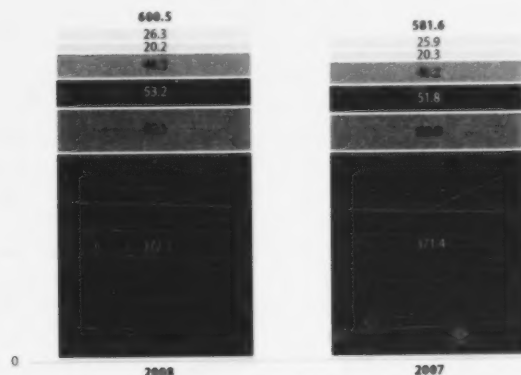
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Expenses

As at April 30, 2008 (\$ millions)

Total: \$600.5 million [2008], \$581.6 million [2007]

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Contributing to Success

"Each of the university's 8,000 employees deserves credit for making a unique contribution to the institution," says U of S Vice-President of Finance and Resources Richard Florizone. "Every day, the talent, expertise, skill and devotion of university employees enhances the student experience, creates a more engaged university and helps prepare new graduates for their role as citizens and members of society."

❖ **Vice-President (Finance and Resources) Richard Florizone**



Service Heroes

Twice annually, the President's Service Award is presented to a U of S employee who has made an outstanding contribution to the learning and working environment of the university. This prestigious award is one way to recognize individuals who inspire, support and respect the endeavours of others, and who have achieved distinction through their dedication and commitment to the university's success.

❖ **Lynn Guina, director of Hospitality Services receives the President's Service Award from Chancellor Vera Pezer at the 2008 Spring Convocation. Guina was nominated by her colleagues for her work on leading the logistics of Congress 2007, and the care of northern residents displaced by forest fires in 2006.**

DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

Areas of Investment

Operating Fund

For 2007/08, the university Board of Governors approved investments in renewal initiatives in keeping with institutional priorities, including the following:

- Academic Priorities Fund was increased by \$1.0 million. These funds are used as a catalyst for university renewal, and are allocated to priorities identified in the Integrated Planning process.
- Student support initiatives were increased by \$0.4 million.
- Huskie Athletics funding went up by \$0.5 million with roughly one-third allocated to championship team expenses.
- Major project pre-opening costs of \$0.3 million were approved in recognition of the non-capital planning expenses associated with projects like the Academic Health Science Centre and InterVac.
- Support for student and financial system investments was increased by \$0.2 million.
- An annual allocation of \$0.4 million was provided to the University Learning Centre/Library transformation project.
- Targeted funding approved by the province of \$4.0 million for Medicine accreditation, and \$0.8 million for additional student spaces in the Colleges of Nursing and Medicine was allocated to those colleges.
- Infrastructure budgets were increased by \$0.7 million in recognition of the higher costs associated with operating new space including the expansion of both the WCVN facility and the College of Law.
- A one-time allocation of \$1.2 million was approved for costs associated with the university's centennial celebration, including costs associated with hosting Congress 2007.
- Of federal funding to support the indirect costs of research, the method of allocation was changed resulting in a decrease in the recovery, which offsets operating costs in the amount of \$0.3 million. This resulted in a net operating fund allocation of \$2.5 million.

Capital Fund

The university invested almost \$120 million in capital assets, an indication it is in the midst of the largest building program in the university's history. Of that amount, major project expenditures totaled \$74.6 million and included costs relating to the following projects which are currently under construction:

Capital Projects

As at April 30, 2008 (\$ millions)

Project	Expenditure
Academic Health Sciences	\$ 15.5
Western College of Veterinary Medicine (WCVN)	12.5
Canadian Light Source	18.4
InterVac	13.4
College of Law Expansion	5.1
University Learning Centre	3.5
Total	\$ 68.4

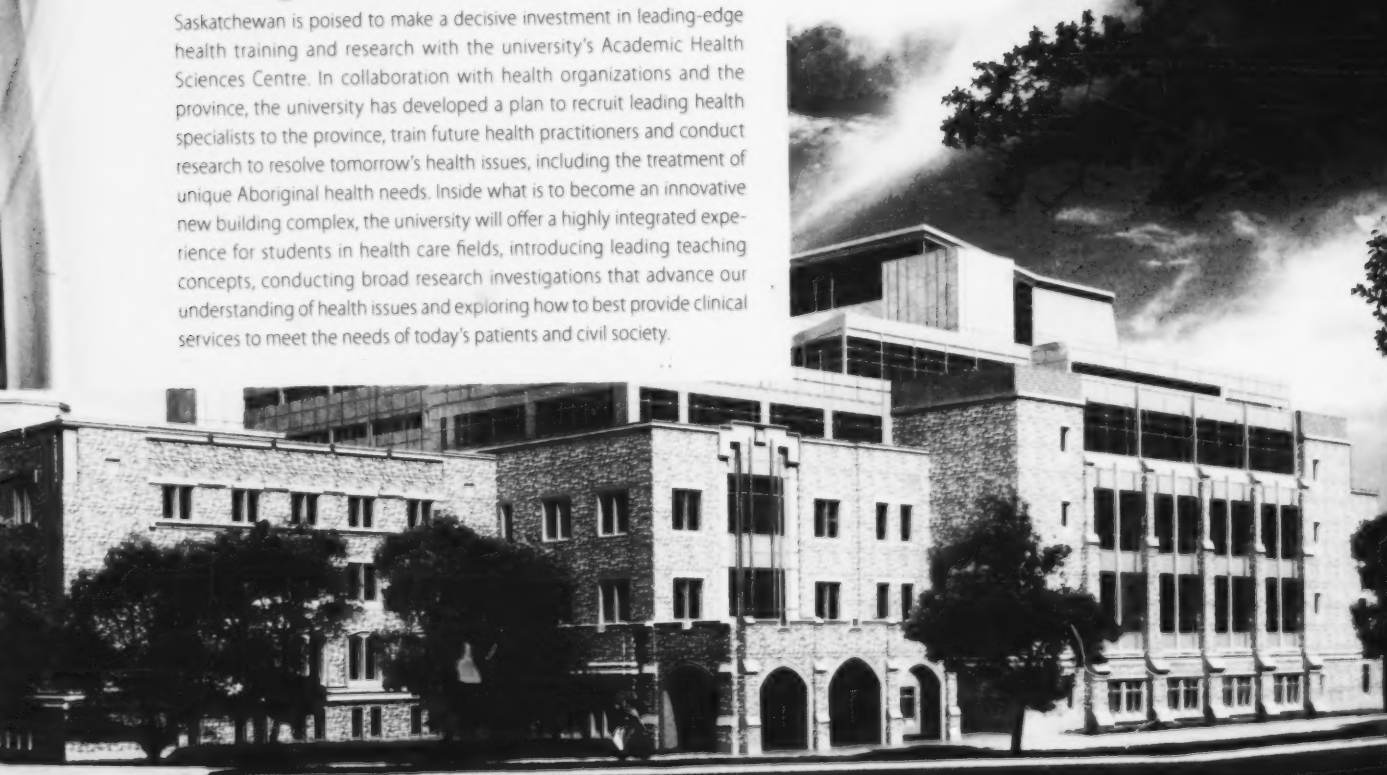


Building Research Excellence

Work is well underway on the campus building that will house the International Vaccine Centre (InterVac), a facility that will be unique in its focus on vaccine development for both animal and human pathogens. The building foundations are nearing completion, as are the four stair towers. The project is on track for completion in July 2010.

Linking the Health Sciences

Saskatchewan is poised to make a decisive investment in leading-edge health training and research with the university's Academic Health Sciences Centre. In collaboration with health organizations and the province, the university has developed a plan to recruit leading health specialists to the province, train future health practitioners and conduct research to resolve tomorrow's health issues, including the treatment of unique Aboriginal health needs. Inside what is to become an innovative new building complex, the university will offer a highly integrated experience for students in health care fields, introducing leading teaching concepts, conducting broad research investigations that advance our understanding of health issues and exploring how to best provide clinical services to meet the needs of today's patients and civil society.



DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

Financial Position and Management of Business Risks

Strengths

- The University of Saskatchewan's financial position was strengthened in 2007/08 with total assets at April 30, 2008 at \$1.6 billion compared to \$1.5 billion at the previous year end, which amounts to growth of 7%.
- Net assets increased by \$110.1 million over the year, to \$1.5 billion, caused by an increase in the Capital Fund balance of \$52.4 million and growth of \$55.9 million in Research Fund balances. Research revenue increased by \$64.2 million from the previous year, with \$24.3 million of that increase relating to long-term grants to be spent over several years.
- Student fee revenue remained fairly constant at \$89.0 million, a reflection of stable enrolment numbers.
- Total endowments increased by \$0.3 million, to \$190.2 million.
- Operating reserves increased by \$0.7 million, to \$6.7 million which equals 2% of operating expenses.
- College and administrative unit carry-forwards increased by \$2.7 million, to \$27.2 million.
- The university's track record of balanced financial results and low debt burden are factors contributing to strong credit worthiness.

Challenges


- Investment Income decreased by \$36.6 million to \$6.8 million versus \$43.4 million for the prior year, primarily the result of a loss in long-term pool earnings of 4.2% from the prior year's 12.1%. The variability of investment earnings is also a challenge for planning, with implications for many facets of our operations, including the Operating Fund, certain capital projects, pension liabilities and our Endowment Funds.
- From a going concern perspective the university's defined benefit plans and Long-term Disability Plan are all in a surplus position at year-end (\$52.1 million in total). However, all plans were materially and negatively affected by the downturn in investment earnings for the year. The ability of plans to support current service commitments, changing demographics and fluctuation in investment earnings is of concern. The university has one defined benefit plan (Retirees Plan) which is in a solvency deficit position (currently \$1.0 million at year-end) and monthly payments are being remitted to the plan to fund this deficit.
- Major capital project costs have been escalating at alarming rates with pressures of a strong western economy, and Saskatchewan's economy in particular. This cost escalation presents significant funding challenges for our major capital projects, with \$63.0 million funding yet to be secured based on approved projects and estimates at year-end.

Consolidated Statement of Operations and Changes in Fund Balance

For the twelve months ended April 30, 2008 (\$ millions)

Fund	Revenue	Expenditure	Interfund Transfer	Net increase	Fund Balance	
					April 2007	April 2008
General						
Operating	\$ 439.5	\$ 401.3	\$ (37.0)	\$ 1.2	\$ 187.1	\$ 188.3
Ancillary	37.3	31.8	(7.5)	(2.0)	(1.6)	(3.6)
Restricted						
Capital	25.7	56.8	83.5	52.4	787.6	840.0
Research	204.8	96.2	(52.7)	55.9	186.0	241.9
Student Financial Aid	5.3	14.4	11.4	2.3	25.2	27.5
Endowment	(2.0)	-	2.3	0.3	189.9	190.2
	\$ 710.6	\$ 600.5	\$ 0.0	\$ 110.1	\$ 1,374.2	\$ 1,484.3

An overview of the fund balance (net assets), revenues and expenses for the year by major fund category.

A black and white photograph of a modern interior space. The ceiling is composed of numerous parallel wooden slats. The walls are made of rough-hewn stone. In the foreground, there are several dark, high-backed chairs. A person is visible in the background, standing near a stone wall. The overall atmosphere is one of a contemporary, yet rustic, architectural design.

New Law Building

The renovated and expanded College of Law at the University of Saskatchewan celebrated its grand re-opening in spring 2008 with a ribbon cutting ceremony to formally unveil the 3,300 square metre facility. The expanded building, which took just over two years and \$16.5 million to complete, features state-of-the-art classrooms with multi-media capabilities, a new student lounge, offices for student organizations, and additional administrative space. The new structure is designed to meet LEED (Leadership in Energy and Environmental Design) gold standards and is equipped with a living roof, the largest of its kind in Saskatchewan.

The College of Law, the oldest university law school in western Canada, was established in 1912 and has developed a specialty in aboriginal programming. Today, the renovated Law Building is the new home for the university's nationally renowned Native Law Centre.

DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

Operating Fund, \$188.3 million

The Operating Fund balance of \$188.3 million includes the operating reserve of \$6.7 million, or about 2% of approved operating budget expenditures, which has increased by \$0.6 million for the year compared to a break-even budget. This result is net of Board-approved allocations of \$10.0 million in capital project commitments and to repay internal loans for capital. Operating funds were available because of a number of factors including, favourable results in fixed income investments, utilities and a provincial grant increase in April.

The Operating Fund balance of \$188.3 million also includes college and administrative unit funds, which were increased by \$2.7 million to \$27.2 million. These funds are at a point in time, and there are internal commitments against them including major project funding.

Institutional operating funds increased by \$2.4 million, to \$17.1 million, and significant balances include the Academic Priorities Fund of \$5.8 million and benefit plans of \$2.8 million.

Other funds within the Operating Fund include: externally funded activities - \$12.8 million, including Clinical Services Fund, Huskie Athletics and the veterinary teaching hospital; Future Employee Benefits - \$52.1 million (defined benefit plans and long-term disability plan); Non-credit Instruction and Events - \$2.6 million (lectureships and continuing education); Fee-for-service - \$11.6 million (Clinical Practice Plan.); Special Projects - \$45.4 million; and Subsidiaries activity - \$6.7 million.

Ancillary Fund, \$(3.6) million

The negative balance in ancillary funds at year-end is related to our utilities operation and related capital asset expenditures of \$4.4 million, which will be funded by recoveries over time.

Capital Fund, \$840.0 million

The balance at year-end of \$840.0 million includes \$771.6 million in capital assets (land, buildings, etc.) and \$68.4 million in funds available and committed for specific capital projects such as the Academic Health Sciences complex where initial grants of \$101.3 million have already been received from the province.

In accordance with GAAP, the university's capital assets are carried at amortized historical cost. Based on an inventory of major capital assets and their assessment at market, the current replacement cost of the university's assets would be in the order of \$4.3 billion as at April 30, 2008.

This amount does not include the value of land, which is a significant unrecognized asset for the University of Saskatchewan.

Also not reflected in our financial statements is the estimated cost of deferred maintenance on buildings and infrastructure currently estimated at \$385 million, of which \$200 million is considered critical.

Research Fund, \$241.9 million

Research revenue increased by \$64.2 million in 2007-08, to \$204.8 million. As the university follows the restricted fund method for revenue recognition, most research revenue is recognized in advance as contracts are signed or as grants are awarded.

A significant portion of the funding increase relates to CFI funding which will be accessed over the next few years.

Student Financial Aid Fund, \$27.5 million

This fund enables the university to capture activities that support scholarship and financial aid programs. The fund balance represents funds targeted for student financial aid that have not been either externally or internally designated as an endowment.

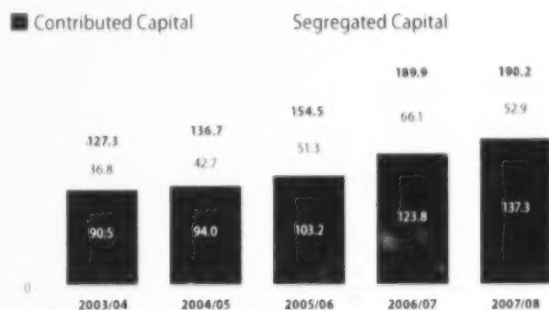
Endowment Funds

With internal allocations of \$2.3 million Endowment Funds show a modest growth of \$0.3 million for the year, to \$190.2 million. Although income from gifts, grants and bequests of \$14.0 million was received during the year, this revenue was offset by investment income losses of \$16.0 million.

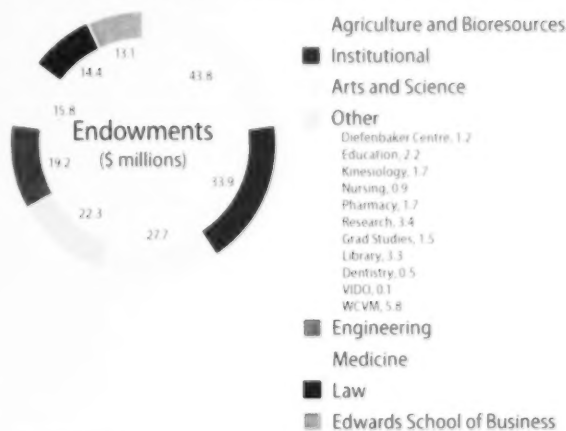
In the five-year period shown in the graph below, Endowment Funds have grown from \$127.3 million to \$190.2 million, a reflection of growing contributions to the university and the success of the *Thinking the World of our Future* capital campaign, as well as investment earnings retained for preservation of the purchasing power of Endowment Funds.

Endowment Fund Balance

As at April 30, 2008 (\$ millions)

**Endowments by College**

As at April 30, 2008 (\$ millions) (Total \$190.2 million)



An overview of endowments targeted to specific Colleges.

DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

Operating Fund, \$188.3 million

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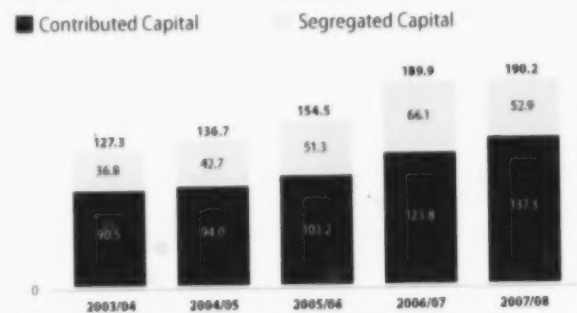
Endowment Funds

With internal allocations of \$2.3 million Endowment Funds show a modest growth of \$0.3 million for the year, to \$190.2 million. Although income from gifts, grants and bequests of \$14.0 million was received during the year, this revenue was offset by investment income losses of \$16.0 million.

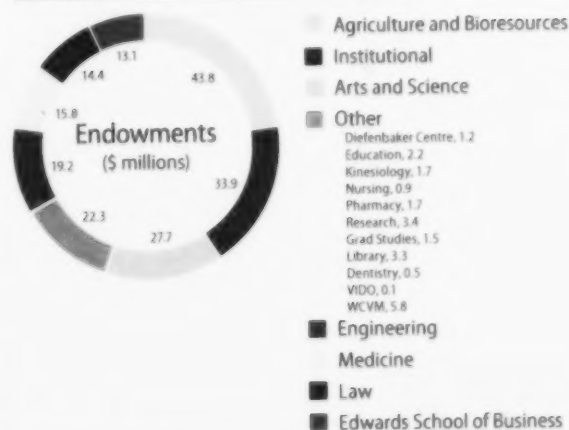
In the five-year period shown in the graph below, Endowment Funds have grown from \$127.3 million to \$190.2 million, a reflection of growing contributions to the university and the success of the *Thinking the World of our Future* capital campaign, as well as investment earnings retained for preservation of the purchasing power of Endowment Funds.

Endowment Fund Balance

As at April 30, 2008 (\$ millions)

**Endowments by College**

As at April 30, 2008 (\$ millions) (Total \$190.2 million)



An overview of endowments targeted to specific Colleges.

N. Murray Edwards Market Watch

BIOTECHNOLOGY INDEX FUND
T SECTOR SPDR FUND
ECT SECTOR SPDR FUND
ES SECTOR SPDR FUND
ETIONARY SECTOR SPDR FUND
SECTOR SPDR FUND
CT SECTOR SPDR FUND
ECT SECTOR SPDR FUND
ECT SECTOR SPDR FUND

83.
39.
36.
27.
39.
64.13
37.30
37.64

College of Commerce Name Change

What was the College of Commerce is now the N. Murray Edwards School of Business at the University of Saskatchewan. A gift of \$11 million from N. Murray Edwards, a U of S graduate and successful Calgary businessman, will support faculty and student recruitment and retention as well as a new emphasis on entrepreneurship. It is a donation that shows a kind of vision on par with that of the university's founders.

✪ **Grant Isaac, dean of the Edwards School of Business, in front of Market Watch, a nexus of real-time information in the lobby of the newly-renovated Commerce Building.**





• U of S students and the College Building

Consolidated financial statements

For the Year Ended April 30, 2008

Statement of Administrative Responsibility for Financial Reporting

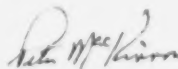
The administration of the university is responsible for the preparation of the consolidated financial statements and has prepared them in accordance with Canadian generally accepted accounting principles. The administration believes that the consolidated financial statements fairly present the financial position of the university as of April 30, 2008, and the results of its operations and the changes in its fund balances for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal controls designed to provide reasonable assurance that university assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements. The integrity of the internal controls is reviewed on an ongoing basis by the Audit Services Division.

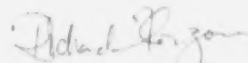
The Board of Governors carries out its responsibility for review of the consolidated financial statements principally through its Audit

Committee, which is a committee of the Board of Governors. The external and internal auditors have access to the Audit Committee, with or without the presence of the administration.

The consolidated financial statements for the year ended April 30, 2008 have been reported on by the Provincial Auditor of the Province of Saskatchewan, the external auditor appointed under *The University of Saskatchewan Act, 1995*. The Auditor's Report outlines the scope of his examination and provides his opinion on fairness of presentation of the information in the financial statements.



Peter MacKinnon
President



Richard E. J. Florizone
Vice-President
(Finance and Resources)

Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan,

I have audited the consolidated statement of financial position of the University of Saskatchewan as at April 30, 2008, and the consolidated statements of operations and changes in fund balances, and cash flows for the year then ended. The university's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these consolidated financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the university as at April 30, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.




Fred Wendel, CMA, CA, Provincial Auditor
Regina, Saskatchewan
July 16, 2008

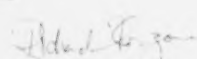
Statement 1 • Consolidated Statement of Financial Position

As at April 30, 2008 (\$ thousands)

	General	Restricted	Endowment	Total 2008	Total 2007
Current Assets					
Cash and short-term investments (Note 5)	\$ (92,359)	\$ 94,717	\$ 8,054	\$ 10,412	\$ 39,995
Accounts receivable (Note 6)	22,522	102,086	-	124,608	89,647
Inventories	11,989	-	-	11,989	11,649
Prepaid expenses	1,722	-	-	1,722	2,005
	(56,126)	196,803	8,054	148,731	143,296
Long-term Assets					
Long-term accounts receivable (Note 7)	-	28,500	-	28,500	4,203
Long-term investments (Note 5)	250,275	130,663	181,413	562,351	556,516
Other assets	885	1,553	761	3,199	3,026
Employee future benefits (Note 8)	52,130	-	-	52,130	47,513
Capital assets (Note 9)	-	811,091	-	811,091	745,847
	303,290	971,807	182,174	1,457,271	1,357,105
	\$ 247,164	\$ 1,168,610	\$ 190,228	\$ 1,606,002	\$ 1,500,401
Current Liabilities					
Accounts payable and accrued liabilities	\$ 34,188	\$ 18,752	\$ -	\$ 52,940	\$ 68,546
Accrued vacation pay and assisted early retirement benefits	11,817	992	-	12,809	11,740
Unearned fees and other deferred revenue	15,989	-	-	15,989	9,890
Loans (Note 10)	-	32,252	-	32,252	26,114
Current portion of long-term debt (Note 11)	31	136	-	167	290
	62,025	52,132	-	114,157	116,580
Long-term Liabilities					
Long-term debt (Note 11)	182	4,248	-	4,430	4,535
Accrual for assisted early retirement	271	-	-	271	830
Accrued decommissioning costs (Note 12)	-	2,830	-	2,830	2,696
	453	7,078	-	7,531	8,061
Fund Balances					
Externally restricted funds (Note 13)	-	318,615	155,635	474,250	413,077
Internally restricted funds (Note 14)	181,783	19,159	34,593	235,535	244,884
Invested in capital assets	-	771,626	-	771,626	712,468
Unrestricted funds	2,903	-	-	2,903	5,331
	184,686	1,109,400	190,228	1,484,314	1,375,760
	\$ 247,164	\$ 1,168,610	\$ 190,228	\$ 1,606,002	\$ 1,500,401

Approved by the Board of Governors


 Chair, Audit Committee


 Vice-President (Finance and Resources)

Commitments and Contingencies (Note 15)

See accompanying notes to consolidated financial statements

Statement 2 • Consolidated Statement of Operations and Changes in Fund Balances

For the year ended April 30, 2008 (\$ thousands)

	General	Restricted	Endowment	Total 2008	Total 2007
Revenues					
Grants and contracts					
Government of Canada	\$ 3,407	\$ 71,456	\$ -	\$ 74,863	\$ 68,228
Government of Saskatchewan	257,357	57,572	-	314,929	302,211
Other governments	14,842	1,348	-	16,190	15,313
Non-government	4,388	78,511	-	82,899	35,359
Student fees	89,215	1	-	89,216	87,990
Gifts, grants and bequests	8,134	15,595	14,038	37,767	29,223
Sales of services and products	78,806	1,027	11	79,844	79,092
Income (loss) from investments	12,830	9,964	(16,041)	6,753	43,415
Real estate income	2,377	78	-	2,455	2,606
Miscellaneous income	5,350	304	2	5,656	5,826
	476,706	235,856	(1,990)	710,572	669,263
Expenses					
Salaries	292,862	47,046	-	339,908	323,197
Employee benefits	28,114	4,163	-	32,277	48,179
Operational supplies and expenses	53,461	28,638	15	82,114	69,012
Travel	9,447	5,750	-	15,197	14,303
Cost of goods sold	16,836	16	-	16,852	17,461
Maintenance, rental and renovations	8,256	2,263	-	10,519	8,995
Utilities	20,152	40	-	20,192	20,326
Amortization	-	53,238	-	53,238	51,770
Scholarships, bursaries and prizes	3,173	23,160	-	26,333	25,938
Interest	149	2,839	-	2,988	1,709
Bad debt expense	607	1	-	608	443
Decommissioning costs (Note 12)	-	257	-	257	250
	433,057	167,411	15	600,483	581,583
Net revenues (expenses)	43,649	68,445	(2,005)	110,089	87,680
Interfund transfers (Note 19)	(44,467)	42,129	2,338	-	-
Net increase (decrease) in fund balances for year	(818)	110,574	333	110,089	87,680
Fund balances, beginning of year (restated Note 3a)	185,504	998,826	189,895	1,374,225	1,288,080
Fund balances, end of year	\$ 184,686	\$ 1,109,400	\$ 190,228	\$ 1,484,314	\$ 1,375,760

See accompanying notes to consolidated financial statements

Statement 3 • Consolidated Statement of Cash Flows

For the year ended April 30, 2008 (\$ thousands)

	General	Restricted	Endowment	Total 2008	Total 2007
Cash flows from operating activities					
Cash received from Government of Canada	\$ 3,581	\$ 74,003	\$ -	\$ 77,584	\$ 79,315
Cash received from Government of Saskatchewan	262,410	30,679	-	293,089	295,161
Cash received from other governments	14,978	782	-	15,760	15,368
Cash received from non-government	1,167	51,899	-	53,066	36,222
Cash received from student fees	88,123	1	-	88,124	88,295
Cash received from gifts, grants and bequests	4,857	8,300	-	13,157	17,932
Cash received from sales of services and products	82,665	1,027	11	83,703	77,938
Cash received from miscellaneous income	5,738	310	2	6,050	5,835
Cash paid for salaries and benefits	(328,458)	(51,149)	-	(379,607)	(363,218)
Cash paid for non-salary expenditures	(128,549)	(57,486)	(16)	(186,051)	(141,334)
Cash generated from (used for) operating activities	6,512	58,366	(3)	64,875	111,514
Cash flow from financing and investment activities					
Cash received from income from investments	11,793	6,157	8,548	26,498	28,165
Contributions of cash for endowments	-	-	3,735	3,735	22,291
Cash received from real estate income	2,377	78	-	2,455	2,606
Cash received from debt financing	179	6,829	-	7,008	4,700
Debt financing repayments	(222)	(3,480)	-	(3,702)	(1,193)
Purchase of capital assets	-	(119,405)	-	(119,405)	(124,364)
Purchase of investments (net)	(12,289)	9,653	(8,411)	(11,047)	(32,907)
Cash provided by (used for) financing activities	1,838	(100,168)	3,872	(94,458)	(100,702)
Net increase (decrease) in cash and short-term investments	8,350	(41,802)	3,869	(29,583)	10,812
Interfund transfers - see Note 19	(44,467)	42,129	2,338	-	-
Cash and short-term investments, beginning of year	(56,242)	94,390	1,847	39,995	29,183
Cash and short-term investments, end of year	\$ (92,359)	\$ 94,717	\$ 8,054	\$ 10,412	\$ 39,995

See accompanying notes to consolidated financial statements

Notes to the consolidated financial statements

For the Year Ended April 30, 2008

(\$ thousands)

1. Authority and Purpose

"The University of Saskatchewan" (university) is a corporation operating under the authority of *The University of Saskatchewan Act, 1995*, Chapter U-6.1 of the Statutes of Saskatchewan. The primary role of the university is to provide post-secondary instruction and research in the humanities, sciences, social sciences, and other areas of human, intellectual, cultural, social and physical development. The university is a registered charity and is therefore exempt from the payment of income tax, pursuant to Section 149 of the *Income Tax Act*.

2. Summary of Significant Accounting Policies and Reporting Practices

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The following accounting policies and reporting practices are considered significant:

a) Basis of consolidation

The consolidated financial statements include the accounts of the following entities:

- Agricol Research Investments Inc., a wholly owned subsidiary of the university. Through Agricol, the University of Saskatchewan promotes and participates in research, education and technology transfer related to the agriculture industry.
- Agrivita Canada Inc., a non-profit corporation incorporated under the Canada Corporations Act. The company promotes direct and fund research, training and service initiatives in various disciplines for purposes related to agricultural health and safety for industry and farm workers, rural residents and families, and the impact of agricultural activities on the general public.
- Canadian Light Source Inc. (CSLI), a non-profit corporation whose sole member is the University of Saskatchewan. The company's mandate is to advance Canadian scientific and industrial capabilities in synchrotron science and technical applications. The company is responsible for the operation and conduct of all activities related to the university's synchrotron light facility, its operation and performance.
- Prairie Swine Centre Inc., a non-profit corporation whose membership is restricted to the members of the Board of Governors of the University of Saskatchewan. The company is engaged in research, education and technology transfer related to pork production in Canada.
- 621602 Saskatchewan Ltd., a wholly owned subsidiary of the university. The company participates in real estate investment activities.
- University of Saskatchewan Crown Foundation, a non-profit entity incorporated under *The Crown Foundation Act* of Saskatchewan. The Foundation was created for the purpose of receiving gifts of real and personal property and to provide transfers of property to the University of Saskatchewan.
- Western Beef Development Centre Inc., a non-profit corporation whose membership is restricted to members of the Board of Governors of the University of Saskatchewan. The mandate of the company is to support the efficient and orderly economic advancement of the Western Canadian beef industry. The company was dissolved April 16, 2007. Comparatives in these financial statements reflect the activity of the Western Beef Development Centre Inc. up to the date of its dissolution.

b) Fund accounting

The university follows the restricted fund method of accounting for contributions. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives.

The university has classified accounts with similar characteristics into major funds as follows:

- i) General Funds are unrestricted and account for the university's program delivery, service and administrative activities. These funds are further classified as Operating and Ancillary.

Operating Funds account for the university's function of instruction, including academic support services, administrative services, plant maintenance and other operating activity.

Ancillary Funds provide goods and services to the university community, which are supplementary to the functions of instruction, research and service and are expected to operate on at least a break-even basis.

- ii) Restricted Funds carry restrictions on the use of resources for particular defined purposes. These funds are further classified as Capital, Research and Student Financial Aid.

Capital Funds account for the acquisition of capital assets, major renovations and improvements to capital assets.

Research Funds account for activities in support of research.

Student Financial Aid Funds account for activities in support of students.

- iii) Endowment Funds account for resources received with the stipulation that the original contribution not be spent. The fund also consists of a portion of the investment income earned on these funds that is required by donors and the Board of Governors to be added to the fund to offset the eroding effect of inflation. The amount recapitalized each year will vary from year to year with variability in annual investment returns, but over time it is intended that the recapitalized amount will offset the effect of inflation.

c) Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted grants subject to an external annual appropriation process will be recognized in accordance with the funder's appropriation.

Contracts are recorded as revenue as the service or contract activity is performed, provided that at the time of performance ultimate collection is reasonably assured. If payment is not received at the time the service or contract activity is performed, accounts receivable will be recorded.

Student fees are recognized as revenue in the year courses and seminars are held. Sales of services and products are recognized at point of sale or when the service has been provided.

Unrestricted contributions are recorded as revenue in the period received or receivable, if collection is reasonably assured. Gifts-in-kind are recorded at their fair market value on the date of receipt or at nominal value when fair market value cannot be reasonably determined. Pledges from fund raising and other donations are not recorded until the year of receipt of cash or other assets due to the uncertainty surrounding collection.

Contributions for endowment purposes are recognized as revenue in the Endowment Fund.

Sales of services and products are recorded as revenue in the General Fund at point of sale or when the service has been provided.

Investment Income is recorded as revenue when reasonable assurance exists regarding measurement and collectability. Unrestricted investment income is recognized as revenue of the General Fund. Investment income earned on Endowment Fund resources is recorded in the appropriate Fund according to the restrictions mandated.

Real estate and miscellaneous income, as follows, is recorded as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured:

- Unrestricted income is recorded in the General Fund.
- Restricted income is recognized as revenue of the appropriate restricted fund.

d) Contributed services and materials

These financial statements do not report the value of contributed volunteer hours as the fair value of such is not practically determinable. Gifts-in-kind are recorded where a formal valuation has been made.

e) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Examples of significant estimates include: the allowance for doubtful accounts, the estimated useful lives of assets, the accruals for salaries and benefits, and certain actuarial and economic assumptions used in determining defined benefit pension costs, accrued pension benefit obligations, plan assets, decommissioning costs and provision for claims payable.

f) Capital assets

Purchased and constructed capital assets are recorded at cost. Capital assets which are constructed by the university are recorded as Construction in Progress until the capital asset is put into use. The university reports donated capital assets at fair market value upon receipt. Collections are not capitalized or amortized. All additions to collections are expensed in the year acquired. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized.

Amortization expense is reported in the Capital Fund. Capital assets, other than land, are amortized using the straight-line method over their estimated useful lives as shown below. Amortization is not provided on projects in progress until the assets are in use. Asset retirement obligations and associated asset retirement costs are discussed in i) Decommissioning obligation, below.

Buildings	40 years
Canadian Light Source Inc. (CLSI) facility retirement costs	30 years
Site improvements	20 years
Computers	3 years
Equipment and furnishings	3 to 10 years
Library materials	10 years

g) Inventories

Inventories are valued at the lower of cost and net realizable value, which is determined by the average cost method, with the exception of livestock, poultry and other farm products which are stated at market value. Market is defined as market quotations for livestock and replacement cost for other farm products.

h) Employee future benefits

The cost of defined benefit pensions earned by employees is actuarially determined using the projected benefit method prorated on services and management's best estimate of expected investment performance, salary escalation and retirement ages of employees, when future salary levels or cost escalation affect the amount of the benefit. The accumulated benefit method is used when future salary levels and cost escalation do not affect the amount of the employee future benefits. For purposes of calculating the expected return on plan assets, those assets are recorded at fair value. Actuarial gains and losses are recognized in the year they arise.

Employee future benefits other than pensions represent medical and dental care and life insurance commitments to certain employees and retirees, long- and short-term disability payments, severance and termination payments and compensated absences. The university accrues its obligations under these plans.

i) Decommissioning obligation

CLSI recognizes obligations for future decommissioning site restoration costs in the period during which they occur. The associated facility retirement costs are capitalized as a part of the carrying amount of the asset and amortized over its useful life. The liability and related asset are adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation.

j) Financial instruments

The university's financial instruments recorded in the consolidated financial statements consist of cash and cash equivalents, short-term and long-term investments, short-term and long-term accounts receivable, accounts payable and accrued liabilities and long-term debt. The university has entered into certain derivative financial instruments, principally interest rate swap agreements on specific long-term debt. See Note 3. a) and Note 10, below.

3. Accounting Policy Changes

a) Financial Instruments

Effective May 1, 2007 the university adopted Section 3855, *Financial Instruments - Recognition and Measurement*, and related sections of the Canadian Institute of Chartered Accountants (CICA) Handbook.

Section 3855 establishes the criteria for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. It also specifies how financial instrument gains and losses are to be presented.

In accordance with this standard, the university now classifies all financial instruments as either held to maturity, available for sale, held for trading or loans and receivables. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized cost. Available for sale financial instruments are measured at fair value with unrealized gains and losses recorded as a direct increase or decrease to fund balances. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized in the Statement of Operations.

The university has made the following classifications:

- Cash and cash equivalents, short-term investments and long-term investments are classified as financial instruments held for trading and are measured at fair value. Gains and losses related to periodical revaluation are recorded in the statement of operations;
- Short-term and long-term accounts receivable are classified as loans and receivables and are initially measured at amortized cost;
- Accounts payable and accrued liabilities and long-term debt with no interest rate swap are classified as other liabilities and are initially measured at fair value, with subsequent periodical revaluations recorded at amortized cost, and
- Long-term debt with interest rate swaps and the interest rate swap agreements are classified as held for trading and are measured at fair value. Gains and losses related to periodical revaluation are recorded in the statement of operations.

The impact of this change as at May 1, 2007 is an increase to loans (interest rate swaps) of \$1,535 and a decrease to the Capital Fund, Fund Balance beginning of year.

The impact of this change during the year ended April 30, 2008 is an increase to loans (interest rate swaps) of \$1,069 with an offsetting adjustment recorded in the statement of operations.

b) Accounting Changes

Effective May 1, 2007 the university adopted CICA Handbook Section 1506, *Accounting Changes*. This section provides standards for accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors. Additionally, the section specifies that a change in accounting policy, if not required by a primary source of Canadian GAAP, should be made only if it results in providing more reliable and relevant information. Furthermore, this section requires disclosure of when an entity has not applied a new source of GAAP that has been issued but is not yet effective. The adoption of the new section did not have an effect on these consolidated financial statements.

4. Future Changes in Accounting Policies

a) Capital Disclosures

Section 1535, *Capital Disclosures*, establishes standards for disclosing information about an entity's capital and how it is managed to enable users of financial statements to evaluate the entity's objectives, policies and procedures for managing capital, including disclosures of any externally imposed capital requirements and the consequences of non-compliance. This standard, issued December 2006, is applicable to fiscal years beginning on or after October 1, 2007, specifically May 1, 2008 for the university. The university does not expect the standard to have an impact on the financial results of the university.

b) Financial Instruments - Presentation and Disclosure

In December 2006, the CICA issued the following new recommendations which apply to fiscal years beginning on or after October 1, 2007, specifically May 1, 2008 for the university. The university expects these new standards relating to presentation and disclosure will have no impact on the financial results of the university.

Section 3862, *Financial Instruments - Disclosures* and Section 3863, *Financial Instruments - Presentation*, together replace Section 3861 - *Financial Instruments - Disclosure and Presentation*.

Section 3862 describes the required disclosures related to the significance of financial instruments on the entity's financial position and performance and the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks.

Section 3863 establishes standards for presentation of financial instruments and non-financial instruments.

c) Inventories

Handbook Section 3031, *Inventories*, was issued in June 2007 and will replace existing Section 3030 of the same title. As well as harmonizing accounting for inventories under Canadian GAAP with International Financial Reporting Standards, the new Section 3031 provides guidance with respect to the determination of cost and requires inventories to be measured at the lower of cost and net realizable value or at the lower of cost and current replacement cost when inventories are held by a not-for-profit organization for distribution at no charge or for a nominal charge.

The cost of inventories include the cost to purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs such as storage costs and administrative overheads that do not contribute to bringing the inventories to their present location and condition are specifically excluded from the cost of inventories and expensed in the period incurred. The standard also requires the consistent use of either first-in, first-out (FIFO) or weighted average cost formula and requires the reversal of previous write-downs to net realizable value when there is a subsequent increase in the value of inventories. Additional disclosures including the accounting policies used in measuring inventories, the carrying amount of the inventories, amounts recognized as an expense during the period, write-downs and the amount of any reversal of write-downs recognized as a reduction in expenses are also required.

The standard is effective for fiscal years beginning on or after January 1, 2008, specifically May 1, 2008 for the university. The difference in the measurement of opening inventory may be applied to the opening inventory for the period, with an adjustment to opening fund balances with no prior period restated, or retrospectively with a restatement to prior periods in accordance with Section 1506, *Accounting Changes*. The university has not yet assessed the effect of this new standard on its financial statements but is not expecting a material impact.

d) International Financial Reporting Standards

In January 2006, the CICA Accounting Standards Board (AcSB) adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for publicly accountable enterprises (PAEs) are expected to converge with International Financial Reporting Standards (IFRS) by the end of 2011. A decision on the extent to which IFRS will apply to non-publicly accountable enterprises (NPAEs) remains unclear. Not-for-profit organizations (NFPOs) will continue to apply those elements of GAAP for profit-oriented enterprises that are also applicable to their circumstances. The AcSB will consult with the not-for-profit sector to determine whether all NFPOs should base their accounting on the standards for PAEs, or whether the approach applied to NPAEs should also be applied to some NFPOs. The university continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

5. Cash and Investments

Short-term investments are invested in high quality Canadian money market instruments.

The long-term investment portfolio includes endowment assets as well as the portion of non-endowment assets that will not be required for spending in the next fiscal year.

The primary objective of the Investment Pools is to ensure the safety of principal, maintain sufficient liquidity for operating purposes and maximize earnings for the Funds, at an acceptable risk level.

	2008	2007
Cash, money market funds, short-term notes and treasury bills	\$ 10,412	\$ 39,995
Government and corporate bonds	378,642	339,452
Canadian equities	69,391	92,240
Foreign equities	108,862	124,824
Real estate	5,456	-
	<u>572,763</u>	<u>596,511</u>
Less amounts reported as:		
Cash	10,412	11,725
Short term investments	-	28,270
	<u>10,412</u>	<u>39,995</u>
	<u>\$ 562,351</u>	<u>\$ 556,516</u>

At April 30, 2008, the average effective yields and the terms to maturity are as follows:

- Short-term notes and treasury bills: 0.0 per cent (2007 - 4.0 per cent)
- Government and corporate bonds: 5.3 per cent (2007 - 4.9 per cent)

6. Accounts Receivable

Accounts Receivable are comprised of the following:

	<u>2008</u>	<u>2007</u>
General	\$ 8,725	\$ 7,289
Student fees	5,266	4,270
Student loans	25	31
Investment income	3,892	3,804
Grants and contracts related to general funds	3,034	1,051
Grants and contracts related to student financial aid	976	31
Grants and contracts related to research	84,222	65,371
Grants and contracts related to capital	13,682	-
Other restricted	3,171	2,812
Other unrestricted	3,764	7,086
Allowance for doubtful accounts	(2,149)	(2,098)
	<u>\$ 12,008</u>	<u>\$ 89,647</u>

7. Long-Term Accounts Receivable

Long-term accounts receivable reflect the fair value of non-government grants receivable in subsequent years, as follows:

	<u>2008</u>	<u>2007</u>
2008	\$ -	\$ 2,702
2009	853	1,448
2010	18,736	53
2011	4,651	-
2012	4,235	-
2013	25	-
	<u>\$ 28,500</u>	<u>\$ 4,203</u>

8. Employee Future Benefits

The university sponsors both defined benefit and defined contribution pension plans. The university and employees contribute in equal amounts to most of the defined contribution plans. The defined benefit plans are funded by employee contributions as a percentage of salary and by the university to support the actuarial based pension benefits. The defined pension benefits are based on years of pensionable service and an average of highest 4 years of employees' pensionable earnings.

The total expense for the university's defined contribution plans for the year is \$12,667 (2007 - \$10,395).

Financial activities of other benefit plans are consolidated in the financial statements. The accrued benefit obligation for other benefit plans is reflected in the Statement of Financial Position as provision for claims payable and plan assets are included in the long-term investments. The net benefit plan expense for pension and other benefit plans is included in employee benefits in the Statement of Operations and Changes in Fund Balances.

Aggregate information about the university's defined benefit plans is in the table below. The information provided does not encompass all benefit plans in the university, but only those plans for which an actuarial liability exists. The measurement date of plan assets and accrued benefit obligations is December 31, 2007 (extrapolated to April 30, 2008). The date of actuarial valuation is also December 31, 2007 (extrapolated to April 30, 2008).

a) Funded status of plans

	2008			2007		
	Pension Plans	Other Benefit Plans	Total	Pension Plans	Other Benefit Plans	Total
Plan assets						
Fair value at beginning of year	\$ 504,025	\$ 38,842	\$ 542,867	\$ 471,296	\$ 35,935	\$ 507,231
Actual return on plan assets	(9,066)	(2,443)	(11,509)	54,693	4,718	59,411
Employer contributions	4,345	-	4,345	4,173	-	4,173
Employee contributions	3,931	-	3,931	4,173	-	4,173
Benefits paid	(38,363)	(2,274)	(40,637)	(30,310)	(1,811)	(32,121)
Fair value at end of year	\$ 464,872	\$ 34,125	\$ 498,997	\$ 504,025	\$ 38,842	\$ 542,867
Accrued benefit obligations						
Accrued benefit obligation at beginning of year	\$ 475,558	\$ 15,114	\$ 490,672	\$ 427,576	\$ 13,344	\$ 440,920
Current service cost	15,778	2,700	18,478	13,757	2,549	16,306
Interest cost	24,454	800	25,254	24,476	779	25,255
Benefits paid	(38,363)	(2,274)	(40,637)	(30,310)	(1,811)	(32,121)
Actuarial losses (gains)	(51,621)	(3,674)	(55,295)	40,059	253	40,312
Plan amendments	351	-	351	-	-	-
Accrued benefit obligation at end of year	\$ 426,157	\$ 12,666	\$ 438,823	\$ 475,558	\$ 15,114	\$ 490,672
Accrued benefit asset						
Accrued benefits asset	\$ 38,715	\$ 21,459	\$ 60,174	28,467	\$ 23,728	\$ 52,195
Valuation allowance and unamortized past service costs	(8,044)	-	(8,044)	(4,836)	154	(4,682)
Accrued benefit asset, net of valuation allowance	\$ 30,671	\$ 21,459	\$ 52,130	\$ 23,631	\$ 23,882	\$ 47,513

b) Net benefit plan expense (revenue)

	2008			2007		
	Pension Plans	Other Benefit Plans	Total	Pension Plans	Other Benefit Plans	Total
Current service cost, net of employee contributions	\$ 11,846	\$ 2,700	\$ 14,546	\$ 9,584	\$ 2,549	\$ 12,133
Interest cost	24,454	800	25,254	24,476	779	25,255
Expected return on plan assets	(32,839)	(2,639)	(35,478)	(31,882)	(2,452)	(34,334)
Immediate recognition of remaining gains/losses	(9,594)	1,408	(8,186)	16,884	(2,013)	14,871
Amortization of past service costs	485	154	639	648	307	955
Increase (decrease) in valuation allowance	2,953	-	2,953	(3,268)	-	(3,268)
Net benefit plan expense (revenue)	\$ (2,695)	\$ 2,423	\$ (272)	\$ 16,442	\$ (830)	\$ 15,612

c) Actuarial assumptions (weighted average as of April 30)

	2008		2007	
	Pension Plans	Other Benefit Plans	Pension Plans	Other Benefit Plans
Discount rate	6.1%	5.4%	5.2%	4.8%
Expected long-term rate of return on plan assets	6.7%	7.0%	6.7%	7.0%
Compensation increase	4.2%	-	4.2%	-
Inflation	3.0%	3.0%	3.0%	3.0%

d) Percentage of fair value of total plan assets held at measurement date by category

	2008		2007	
	Pension Plans	Other Benefit Plans	Pension Plans	Other Benefit Plans
Cash	(0.2)%	1.1%	0.1%	1.3%
Short-term notes	2.0%	0.0%	2.4%	0.0%
Accrued income	0.4%	0.3%	0.3%	0.2%
Pooled funds	57.0%	0.0%	40.3%	0.0%
Contributions receivable	0.1%	0.0%	0.1%	0.0%
Bonds	13.2%	15.5%	20.4%	9.0%
Equities	27.5%	83.1%	36.4%	89.5%
Total	100.0%	100.0%	100.0%	100.0%

9. Capital Assets

	2008			2007	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	
Buildings	\$ 769,746	\$ 261,399	\$ 508,347	\$	472,924
CLSI facility retirement costs	2,357	297	2,060		2,139
Site improvements	51,404	22,268	29,136		23,879
Computers	92,964	81,333	11,631		10,224
Equipment and furnishings	246,993	165,604	81,389		78,468
Land	2,469	-	2,469		2,469
Construction in progress	129,881	-	129,881		109,093
Library materials	156,860	110,682	46,178		46,651
	<u>\$ 1,452,674</u>	<u>\$ 641,583</u>	<u>\$ 811,091</u>	<u>\$</u>	<u>745,847</u>

10. Loans

- The university holds a 365 day credit facility utilizing monthly revolving Banker's Acceptance Loans. The term credit facility allows the university to obtain a favorable rate. The interest rate risk for each Banker's Acceptance Loan is managed through an interest rate swap agreement. Detail of each Banker's Acceptance Loan and interest rate swap agreement are as follows:

	2008	2007
	(Note 3a)	
Royal Bank Banker's Acceptance Loan - Canadian Banker's Acceptance Canadian Deposit Offering Rate + spread of 0.20%, revolves monthly at progressively smaller amounts until September 2029	\$ 12,750	\$ 13,035
Long-term synthetic financial instrument created by interest rate swap agreement - 5.786%, terminates September 2029	1,714	-
Royal Bank Banker's Acceptance Loan - Canadian Banker's Acceptance Canadian Deposit Offering Rate + spread of 0.20%, revolves monthly at progressively smaller amounts until January 2020	3,973	4,215
Long-term synthetic financial instrument created by interest rate swap agreement - 4.72%, terminates January 2020	175	-
Royal Bank Banker's Acceptance Loan - Canadian Banker's Acceptance Canadian Deposit Offering Rate + spread of 0.20%, revolves monthly at progressively smaller amounts until September 2020	4,103	4,343
Long-term synthetic financial instrument created by interest rate swap agreement - 4.53%, terminates September 2020	135	-
Royal Bank Banker's Acceptance Loan - Canadian Banker's Acceptance Canadian Deposit Offering Rate + spread of 0.20%, revolves monthly at progressively smaller amounts until June 2021	4,297	4,521
Long-term synthetic financial instrument created by interest rate swap agreement - 4.841%, terminates June 2021	217	-
Royal Bank Banker's Acceptance Loan - Canadian Banker's Acceptance Canadian Deposit Offering Rate + spread of 0.20%, revolves monthly at progressively smaller amounts until June 2022	4,525	-
Long-term synthetic financial instrument created by interest rate swap agreement - 5.30%, terminates June 2022	363	-
	<u>\$ 32,252</u>	<u>\$ 26,114</u>

The fair value for the interest rate swaps are determined by marked-to-market valuations provided by the Royal Bank of Canada, Toronto.

11. Long-term Debt

	2008	2007
Canada Mortgage and Housing Corp. (CMHC) - 6.875% debentures due May 1, September 1, 2020. These loans are repayable in equal semi-annual installments of \$123 blended principal and interest and recovered in their entirety from the operating revenues of Ancillary Services	\$ 2,037	\$ 2,138
Loan payable to the Government of Saskatchewan - General Revenue Fund - 5.125%, due December 1, 2015. As part of the original arrangements for repayment of a loan to CMHC, it was agreed that \$600 of the principal portion due would be recovered from the University of Saskatchewan by charges to the Ancillary operations of \$33 per year	217	239
Loan payable to Farm Credit Canada with interest at prime plus 0.5%, payable in blended monthly principal repayments of \$2, secured by a general security agreement, due May 2016	179	-
Loan payable to Canadian Imperial Bank of Commerce - Prime, payable with monthly principal payments of \$3 plus interest.	-	175
Loan payable to Canadian Imperial Bank of Commerce - Prime, payable with monthly principal payments of \$0.6 plus interest.	-	7
Loan payable to Government of Saskatchewan - Short-term Hog Loan - Prime, payable with equal monthly payments, due June 30, 2008.	35	73
Mortgage payable to Farm Credit Canada with interest at prime plus 0.25%, payable in blended monthly instalments of \$16, secured by a general security agreement pertaining to all personal property of PSC Elstow, the provision of collateral mortgage security over all of PSC Elstow's real property and the postponement and subordination of PSC Elstow's shareholders' debt, due May 2011	1,929	-
Mortgage payable to Canadian Imperial Bank of Commerce with interest at prime, payable in blended monthly instalments of \$24, secured by a general security agreement pertaining to all personal property of PSC Elstow, security under section 427 of the Bank Act and the provision of collateral mortgage security over all real property of PSC Elstow, due October 2016	-	2,193
Long-term line of credit, up to a maximum amount of \$350, payable to Farm Credit Canada with interest at prime plus 50%, payable in monthly instalments of interest only, secured by a general security agreement of PSC Elstow, the provision of collateral mortgage security over all of PSC Elstow's real property, and the postponement of PSC Elstow's shareholders' debt, due May 2011	200	-
	\$ 4,597	\$ 4,825
Less: Current Portion	(167)	(290)
	\$ 4,430	\$ 4,535

Principal payments due in each of the next five years is as follows:

2009	\$ 167
2010	245
2011	256
2012	266
2013	281

12. Decommissioning Costs

The university is required to decommission the Canadian Light Source Inc. (CLSI) facility when operations cease in accordance with a Particle Accelerator Operating License issued by the Canadian Nuclear Safety Commission.

The university, through CLSI, accrues the liability for future decommissioning site restoration costs. The university expects the facility to operate for a 30 year period from commencement of operations and anticipates the future cash flows required to decommission the facility to be \$10,064.

The present value of this balance is amortized to operations on a straight line basis over 30 years. The net book value of the deferred decommissioning costs at March 31, 2008 is \$2,060 (2007 - \$2,139). The present value of the related liability for decommissioning costs was calculated and accrued using a risk free interest rate of 5.0%. The current year decommissioning costs of \$257 (2007 - \$250) include decommissioning accretion costs of \$134 (2007 - \$129), amortization of deferred decommissioning costs of \$79 (2007 - \$79) and costs associated with a financial guarantee to the Canadian Nuclear Safety Commission of \$43 (2007 - \$42).

13. Externally Restricted Fund Balances

	2008	2007
Capital Fund	\$ 68,332	\$ 76,678
Research Fund	226,722	158,985
Student Financial Aid Fund	23,561	22,285
Endowed Contributions	113,922	99,777
Recapitalized investment earnings	41,713	55,352
	<u>\$ 474,250</u>	<u>\$ 413,077</u>

14. Internally Restricted Fund Balances

Internally restricted net assets represent amounts set aside by the university's Board of Governors for specific purposes. These amounts are not available for other purposes without the approval of the Board. At April 30, net assets have been set aside for the following purposes:

	2008	2007
General Fund **	\$ 181,783	\$ 180,173
Research Fund	15,194	27,047
Student Financial Aid Fund	3,965	2,898
Endowed Contributions	23,418	23,976
Recapitalized investment earnings	11,175	10,790
	<u>\$ 235,535</u>	<u>\$ 244,884</u>

** Includes faculty and department carry-forwards and specific purpose reserves

15. Commitments and Contingencies

a) Capital projects

The estimated cost of contractual commitments to complete major capital projects in progress as at April 30, 2008 is approximately \$10,844 (2007 - \$13,397).

b) Lease commitments

The university has operating lease commitments for equipment and capital assets. The minimum future commitments under these contractual arrangements for the next five years are as follows:

2009	\$ 1,426
2010	1,385
2011	1,385
2012	1,358
2013	1,358

c) Loan guarantee

The university has agreed to provide a \$16 million loan guarantee for the University of Saskatchewan Students' Union's proposed Project to expand and renovate the Place Riel Student Centre. In accordance with Section 93 of *The University of Saskatchewan Act, 1995*, the university requested and received approval from the Minister of Advanced Education, Employment and Labour to provide the loan guarantee. This Project is subject to approval by the university's Board of Governors and is in advanced planning stages with construction beginning no sooner than the fall of 2008.

d) Retail development

In 2001, the university entered into an agreement with the City of Saskatoon obligating the university to pay offsite levies to the City as approximately 50 acres of retail land is developed. It is estimated that the obligation to the City for future phases of development is \$900.

e) Utility purchases

To manage the price of natural gas, the university has entered into long-term contracts that expire at varying dates until October 2010. The university is required to pay for a minimum volume of 2,825 gigajoules per day of natural gas to the end of October 2008. In addition, the university has entered into contracts until October 2010 for approximately half of the natural gas requirements which entail a commitment to purchase 1,325 gigajoules per day. In total, the commitment for natural gas purchases at April 30, 2008 is \$9,480.

f) Outstanding legal claims

The nature of the university's activities are such that there may be litigation pending or in prospect at any time. With respect to claims at April 30, 2008, the university believes it has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, the settlements of such claims are not expected to have a material effect on the university's financial position.

On June 26, 2007 a statement of claim was issued against the University of Saskatchewan alleging responsibility for environmental contamination of adjoining land. The university has filed a statement of defense, denying all claims. The outcome is not determinable at this time however should ultimate resolution differ from management's assessments and assumptions, a material adjustment to the university's financial position or results of operations could result.

g) Canadian Universities Reciprocal Insurance Exchange

The university is a member of the Canadian Universities Reciprocal Insurance Exchange (CURIE), a self-insurance cooperative comprised of over fifty Canadian universities and colleges. CURIE was established to share the insurable property, liability and errors and omissions risk of member universities. The projected cost of claims against the exchange is based on actuarial projections and is funded through the members' premiums. As at December 31, 2007 CURIE had an accumulated surplus of \$16,824 of which the university's pro-rata share is approximately 3.81% (2006 - 3.78%).

16. Gifts-in-kind and Donation Pledges

Gifts-in-kind in the amount of \$20,874 were recorded in the year (2007 - \$5,648). Gifts-in-kind consist of the following:

	2008	2007
Works of Art	\$ 228	\$ 120
Equipment and furnishings	86	417
Investments	13,736	4,139
Library holdings	95	85
Other	6,729	887
	<u>\$ 20,874</u>	<u>\$ 5,648</u>

Donations pledged but not received as at April 30, 2008 totaled \$21,185 (2007 - \$22,182). These pledges are expected to be honored during the subsequent five-year period and will be recorded as revenue when received.

17. Collections

a) Collections of Artifacts, Archival Material and Rare Books

The university has acquired collections of artifacts, archival materials and rare books. These items have been accumulated largely as adjuncts to the university's research and teaching missions. Acquisitions are donated as well as purchased. The university rarely disposes of items from these collections.

The significant collections include the personal artifacts, papers, and library of the late John G. Diefenbaker, the official records of the university, papers of faculty and alumnae, originals and replicas of Ancient and Medieval artifacts, as well as old and rare material with a focus on Western Canada.

b) Art Collection

The Kenderdine Art Gallery administers the permanent art collection of the university. The collection includes works of art that provide a historic or artistic context for objects that are already in the collection as well as works that are of historic interest to the university or the Province of Saskatchewan. Proceeds from the sale of objects are used for the purchase of new acquisitions or the direct care of the collection.

18. Operating Fund Allocations

A comparison of the university's Operating Budget Allocations, as approved by the university's Board of Governors, to actual expenses (net of other recoveries and revenues):

	2008		2007	
	Budget (Note 1)	Expenses (Note 2)	Budget (Note 1)	Expenses (Note 2)
Agriculture and Bioresources	\$ 10,696	\$ 10,390	\$ 9,812	\$ 9,966
Arts and Science	48,080	48,256	43,525	42,022
Edwards School of Business	10,271	10,915	9,192	8,874
Dentistry	5,302	5,216	5,206	4,720
Education	8,464	7,903	7,756	7,740
Engineering	12,693	12,884	11,391	11,310
Centre for Continuing and Distance Education (ex-Extension)	3,506	3,689	4,039	4,134
Graduate Studies and Research	922	912	723	711
Kinesiology, including Huskie Athletics	4,272	3,535	3,316	3,178
Law	4,390	4,135	3,419	3,187
Library	9,726	9,468	8,975	9,155
Medicine	24,487	24,666	22,007	21,163
Targeted Funding - Accreditation	14,635	12,936	11,106	9,956
Nursing	7,145	7,758	6,312	6,381
Pharmacy and Nutrition	4,076	3,996	3,519	3,263
Veterinary Medicine	20,111	18,305	17,725	16,332
Interdisciplinary Units (Note 3)	4,473	4,591	1,780	1,359
Schools (Note 3)	617	300	-	-
Non-academic units:				
Information Technology (Note 3)	7,413	7,589	9,257	10,163
Student and Enrolment Services (Note 3)	9,769	9,274	7,036	7,298
Health Safety and Environment	1,143	897	1,095	1,245
Facilities Management	19,139	18,679	17,540	19,642
Consumer Services	531	625	462	462
Campus Safety	1,888	1,718	1,395	1,432
External Relations	2,740	2,634	2,641	2,750
Administrative Units	18,496	19,075	15,684	14,499
Central Utilities, Network and Software	19,279	16,915	18,970	17,076
Central Scholarships/Bursaries	9,359	9,358	8,936	9,037
Central Research and Scholarly	13,564	12,975	16,980	19,065
Central Student Support	316	289	538	466
Central System Renewal	70	-	385	680
Central Administration (Note 4)	6,355	8,412	12,618	14,982
Central Benefits (Note 5)	7,077	6,166	5,610	9,200
	<u>\$ 311,005</u>	<u>\$ 304,461</u>	<u>\$ 288,950</u>	<u>\$ 291,448</u>

Notes:

1. For some Colleges/Administrative Units, the Allocation amount above varies from the "Allocation of Operating Revenue" amount reflected in Schedule 3. This difference is caused by classification adjustments.
2. Expenses include planned spending of opening fund balances.
3. Allocations and Expenses reflect the results of organizational restructuring during the year ended April 30, 2008.
4. The year ended April 30, 2007 includes wage accruals related to collective agreements. These agreements were settled in 2008.
5. Includes accountable professional allowances and other benefits provided to employees under the terms of collective agreements.

19. Interfund Transfers

Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. Interfund transfers are used when resources residing within one fund are utilized to fund activities or assets that should, by their nature, be recorded in another fund.

	General		Restricted		Endowment	
	2008	2007	2008	2007	2008	2007
Net transfers to restricted fund for capital asset purchases	\$ (28,186)	\$ (24,514)	\$ 28,186	\$ 24,515	\$ -	\$ (1)
Principal and interest on loans	(2,540)	(1,183)	2,540	1,183	-	-
Support for Research	416	(3,209)	(416)	3,209	-	-
Support for Student Awards	(11,482)	(10,855)	11,482	10,855	-	-
Spendable Fund transfers to Endowment	(42)	(2,713)	-	-	42	2,713
Adjustments to allocation of income to expendable funds	(2,633)	930	337	276	2,296	(1,206)
Other miscellaneous transfers	-	8	-	(8)	-	-
	<u>\$ (44,467)</u>	<u>\$ (41,536)</u>	<u>\$ 42,129</u>	<u>\$ 40,030</u>	<u>\$ 2,338</u>	<u>\$ 1,506</u>

20. Related Party Transactions

The university receives a significant portion of its revenue from the Government of Saskatchewan and has a number of its members to the Board of Governors appointed by the Government. To the extent that the Government of Saskatchewan exercises significant influence over the operations of the university, all Saskatchewan Crown agencies such as corporations, boards and commissions are considered related parties to the university.

Revenue received from the Government of Saskatchewan is disclosed separately in the Statement of Operations.

Routine expenses with these related parties are recorded at the standard or agreed rates charged by these organizations.

Transactions and the amounts outstanding at year-end are as follows:

	2008	2007
Sales of services and products-physicians' billings	\$ 20,736	\$ 15,591
Expenses		
Utilities	10,202	9,931
Other	19,455	22,074
Accounts Receivable	7,158	3,111
Long-term investments	14,886	18,637
Accounts payable and accrued liabilities	1,703	1,860
Deferred revenue	5,934	322
Long-term debt	252	312

21. Financial Instruments

a) Risk Management and Financial Instruments

i) Market risk

The university is exposed to market risk—the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affecting all securities. Investments are placed in accordance with policies specifying the quality of investments so that diversification limits risk of exposure in any one type of investment instrument. The university's exposure to financial market risk is limited since there are no significant financial instruments which will fluctuate as a result of changes in market prices.

ii) Foreign currency risk

The university has foreign currency risk arising from its foreign currency denominated cash accounts and exposure to foreign currency denominated revenues or expenses. The university is not significantly exposed to foreign currency risk as foreign currency transactions are not material.

iii) Interest rate risk

Interest rate swap agreements are utilized on the Royal Bank Banker's Acceptance Loans to reduce interest rate risk arising from fluctuations in interest rates and to manage the floating interest rates of these loans - see Note 10, above. The university is subject to interest rate risk as a result of market fluctuations in interest rates and the degree of volatility of these rates.

iv) Credit risk

The university has normal credit risk from counterparties. Since government agencies compose a significant portion of the receivable arising from the university's diverse client base, possibility of default is believed to be low.

v) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. The university minimizes its liquidity risk through careful management of Investment Pools to maintain sufficient liquidity for operating purposes.

vi) Fair Value of Financial Instruments

The carrying values of all financial instruments approximate fair value with the exception of long-term debt, which as at April 30, 2008, has a carrying value of \$ 4,597 (2007 \$4,825) and a fair value of \$4,858 (2007 \$5,132)

22. Comparative Figures

Certain comparative figures have been reclassified in order to conform to the financial statement presentation adopted for the current year.

NOTES

Schedule 1 • Statement of Operations and Changes in Fund Balances - General Funds

For the year ended April 30, 2008 (\$ thousands)

	Operating	Ancillary	Total
Revenues			
Grants and contracts			
Government of Canada	\$ 3,407	\$ -	\$ 3,407
Government of Saskatchewan	257,162	195	257,357
Other governments	14,842	-	14,842
Non-government	4,388	-	4,388
Student fees	89,215	-	89,215
Gifts, grants and bequests	8,134	-	8,134
Sales of services and products	43,748	35,058	78,806
Income (loss) from investments	12,820	10	12,830
Real estate income	411	1,966	2,377
Miscellaneous income	5,263	87	5,350
	<u>439,390</u>	<u>37,316</u>	<u>476,706</u>
Expenses			
Salaries	285,662	7,200	292,862
Employee benefits	27,111	1,003	28,114
Operational supplies and expenses	51,857	1,604	53,461
Travel	9,409	38	9,447
Cost of goods sold	5,687	11,149	16,836
Maintenance, rental and renovations	7,060	1,196	8,256
Utilities	10,621	9,531	20,152
Scholarships, bursaries and prizes	3,173	-	3,173
Interest	149	-	149
Bad debt expense	501	106	607
	<u>401,230</u>	<u>31,827</u>	<u>433,057</u>
Net revenues	38,160	5,489	43,649
Interfund transfers (Note 19)	(36,936)	(7,531)	(44,467)
Net increase (decrease) in fund balances for year	1,224	(2,042)	(818)
Fund balances, beginning of year (restated Note 3a)	187,096	(1,592)	185,504
Fund balances, end of year	<u>\$ 188,320</u>	<u>\$ (3,634)</u>	<u>\$ 184,686</u>

See accompanying notes to consolidated financial statements

Schedule 2 • Statement of Operations and Changes in Fund Balances - Restricted Funds

For the year ended April 30, 2008 (\$ thousands)

	Student Financial Aid	Research	Capital	Total
Revenues				
Grants and contracts				
Government of Canada	\$ 10	\$ 71,446	\$ -	\$ 71,456
Government of Saskatchewan	860	38,086	18,626	57,572
Other governments	-	1,348	-	1,348
Non-government	219	78,292	-	78,511
Student fees	1	-	-	1
Gifts, grants and bequests	1,823	12,466	1,306	15,595
Sales of services and products	2	895	130	1,027
Income (loss) from investments	2,377	1,976	5,611	9,964
Real estate income	14	64	-	78
Miscellaneous income	82	236	(14)	304
	5,388	204,809	25,659	235,856
Expenses				
Salaries	901	46,145	-	47,046
Employee benefits	52	4,111	-	4,163
Operational supplies and expenses	34	28,180	424	28,638
Travel	59	5,680	11	5,750
Cost of goods sold	-	16	-	16
Maintenance, rental and renovations	-	2,263	-	2,263
Utilities	-	40	-	40
Amortization	-	-	53,238	53,238
Scholarships, bursaries and prizes	13,374	9,786	-	23,160
Interest	-	-	2,839	2,839
Bad debt expense	1	-	-	1
Decommissioning costs (Note 12)	-	-	257	257
	14,421	96,221	56,769	167,411
Net revenues (expenses)	(9,033)	108,588	(31,110)	68,445
Interfund transfers (Note 19)	11,376	(52,704)	83,457	42,129
Net increase in fund balances for year	2,343	55,884	52,347	110,574
Fund balances, beginning of year	25,183	186,032	787,611	998,826
Fund balances, end of year	\$ 27,526	\$ 241,916	\$ 839,958	\$ 1,109,400

See accompanying notes to consolidated financial statements

Schedule 3 • Statement of Operations and Changes in Fund Balances by College

For the year ended April 30, 2008 (\$ thousands)

	Agriculture and Bioresources	Arts and Science	Edwards School of Business	Dentistry	Education	Engineering	CCDE*	Graduate Studies and Research
Revenues								
University operating budget	\$ 10,696	\$ 47,826	\$ 10,271	\$ 5,302	\$ 8,464	\$ 12,693	\$ 3,506	\$ 921
Grants and contracts								
Government of Canada	5,697	9,356	161	(495)	2,687	5,305	(67)	568
Government of Saskatchewan	15,573	1,152	-	180	69	798	-	-
Other governments	241	27	-	-	-	15	-	-
Non-government	9,348	4,554	1	110	176	1,961	4	221
Student fees	129	167	534	48	54	(18)	5,004	81
Gifts, grants and bequests	717	2,758	11,041	96	234	3,710	(4)	62
Sales of services and products	2,544	1,162	326	1,149	1,561	429	819	-
Income (loss) from investments	(1,706)	(1,170)	(371)	(17)	(110)	(809)	(3)	(62)
Real estate income	49	-	-	-	-	-	-	-
Miscellaneous income	1,101	171	13	2	64	49	13	-
	44,389	66,003	21,976	6,375	13,199	24,133	9,272	1,791
Expenses								
Salaries	21,362	47,971	8,668	3,925	8,817	15,316	5,995	692
Employee benefits	2,613	5,625	1,060	472	927	1,811	710	96
Operational supplies and expenses	5,786	4,352	1,409	370	2,408	2,433	1,985	33
Travel	1,517	2,868	292	80	815	788	538	26
Cost of goods sold	354	7	1	537	-	5	17	-
Maintenance, rental and renovations	500	317	5	5	50	99	24	-
Utilities	77	42	-	-	-	-	11	-
Amortization	-	-	-	-	-	-	-	-
Scholarships, bursaries and prizes	2,113	6,603	531	1,101	392	1,919	3	706
Interest	-	-	-	-	-	-	-	-
Bad debt expense	1	-	-	24	-	-	11	-
Decommissioning costs (Note 12)	-	-	-	-	-	-	-	-
	34,323	67,785	11,966	6,514	13,409	22,371	9,294	1,553
Net revenues (expenses)	10,066	(1,782)	10,010	(139)	(210)	1,762	(22)	238
Interfund transfers (Note 19)	(1,941)	(2,624)	(722)	(112)	(55)	(900)	(431)	2,809
Net increase (decrease) in fund balances for year	\$ 8,125	\$ (4,406)	\$ 9,288	\$ (251)	\$ (265)	\$ 862	\$ (453)	\$ 3,047

* Centre for Continuing and Distance Education

Kinesiology	Law	Library	Medicine	Nursing	Pharmacy and Nutrition	Veterinary Medicine	Other Units	Total
\$ 4,272	\$ 4,390	\$ 13,616	\$ 34,264	\$ 7,145	\$ 4,076	\$ 20,111	\$ (187,553)	\$ -
612	46	189	7,353	180	542	5,771	36,958	74,863
230	-	18	50,768	1,076	199	6,530	238,336	314,929
-	-	-	324	-	350	634	14,599	16,190
379	45	-	6,411	(61)	369	1,523	57,858	82,899
2,776	134	-	712	220	88	50	79,237	89,216
1,231	2,489	453	1,492	175	176	2,815	10,322	37,767
1,392	128	44	16,687	110	38	6,300	47,155	79,844
(81)	(588)	(165)	(988)	(47)	(35)	202	12,703	6,753
67	-	-	112	-	-	-	2,227	2,455
175	80	133	141	39	6	48	3,621	5,656
11,053	6,724	14,288	117,276	8,837	5,809	43,984	315,463	710,572
6,090	3,930	8,091	78,435	7,569	4,152	17,573	101,322	339,908
676	470	1,173	6,736	964	497	2,205	6,242	32,277
2,023	589	858	20,135	629	994	8,630	29,480	82,114
955	162	131	2,739	202	154	567	3,363	15,197
11	-	-	4	-	-	544	15,372	16,852
51	20	116	708	9	15	542	8,058	10,519
-	-	-	52	-	-	52	19,958	20,192
-	-	-	-	-	-	-	53,238	53,238
884	364	2	3,523	180	449	2,000	5,563	26,333
-	-	-	-	-	-	-	2,988	2,988
6	-	-	28	-	-	16	522	608
-	-	-	-	-	-	-	257	257
10,696	5,535	10,371	112,360	9,553	6,261	32,129	246,363	600,483
357	1,189	3,917	4,916	(716)	(452)	11,855	69,100	110,089
14	(1,498)	(1,150)	(6,767)	(110)	(255)	(2,544)	16,286	-
\$ 371	\$ (309)	\$ 2,767	\$ (1,851)	\$ (826)	\$ (707)	\$ 9,311	\$ 85,386	\$ 110,089

NOTES

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